

**CONTRACT #15**  
**RFS # 343.52-677-06**  
**FA # 06-16851**

**Health**

**VENDOR:**  
**Ceridian Corporation**

RECEIVED

MAY 01 2009

FISCAL REVIEW

May 1, 2009

Mr. James White, Director  
Fiscal Review Committee  
320 Sixth Avenue, North, 8<sup>th</sup> Floor  
Nashville, TN 37243

and

M.D. Goetz, Jr., Commissioner  
Department of Finance & Administration  
State Capitol, First Floor  
Nashville, TN 37243-0285

Dear Director White and Commissioner Goetz:

This Amendment is being proposed in an effort to continue to provide the Tennessee Tobacco QuitLine as a recognized resource and asset for the provision of services to assist citizens of Tennessee in their desire and attempts to cease use of, and dependence on tobacco products. The Department of Health requests approval to non-competitively amend the Competitive Contract Number FA-06-16851-03 with Ceridian Corporation for the provision of a statewide toll free telephone based system called the Tennessee Tobacco QuitLine to assist tobacco users in quitting by exercising the option to extend the term 12 months.

In addition to the extension of the contract term, this amendment also deletes the Media Placement provision of Milestone Twenty-Five in Section C.3.B of the contract, thus the net effect of this amendment adds only \$431,763 in funding availability for FY10; however, the Milestone deletion effectively reduces the contract's total potential maximum liability, if all options to renew are exercised, from \$2,485,146 to \$2,246,340.

The Tennessee Tobacco QuitLine is a telephonic tobacco cessation coaching program that is free to all Tennessee residents who are tobacco users. Since the launch of the QuitLine on June 30, 2006, there have been approximately 27,422 calls made to the Tennessee Tobacco QuitLine for help to kick the habit. Many callers attribute their success in quitting to the iCanQuit program offered by the Tennessee Tobacco QuitLine. As part of the QuitLine services, a fax referral service became functional in October 2007. Since the inception of the fax referral program, the Tennessee Tobacco QuitLine has received 13,004 faxes.

We appreciate your approval to proceed with the amendment. Thank you for considering this request.

Sincerely,

  
Susan R. Cooper, MSN, RN

Supplemental Documentation Required for  
Fiscal Review Committee

18. **Contract Vendor Name:** Enter the officially registered Vendor Name.
19. **Current Maximum Liability:** Enter the dollar amount that is reflected on the most current fully executed Contract Summary Sheet and in Section C. 1.
20. **Current Contract Allocation by Fiscal Year:** Enter the amounts reflected on the contract summary sheet and the corresponding FY.  
**\*\*NOTE:** Total of all these columns must add up to Maximum Liability as reported in Section 19 of this document.
21. **Current Total Expenditures by Fiscal Year:** By using STARS or FDAS, enter the amounts that have been expended from this contract by fiscal year breakdown.
22. **Explanation of surplus funds:** If the allocation exceeded the expenditure in any fiscal year, enter the explanation of each surplus funding year.
23. **Explanation of carry forward:** If agency/department has carried forward the surplus funds, enter the authority (and provide copy with this document) of the carry forward provision.
24. **Explanation of overspending contract allocation:** If agency/department has overspent the contract allocation, enter the reasons for excess expenditures and how the funding was attained.
25. **Contract Funding Source/Amount:** Enter the dollar figure in the appropriate category to reflect the source of contract funding.
26. ***If Other, please define:*** If a dollar amount is placed in the "other" category, please define the source represented.
27. **Dates of All Previous Amendments or Revisions:** Enter all dates of prior amendment and revision (*including Contract Summary Sheet revision*) in this section.
28. **Brief Description of Actions in Previous Amendment or Revision:** Enter a brief summary of prior amendments or revisions next to the appropriate effective date of the amendment (e.g. increased maximum liability, added scope items, revised contract summary to reflect funding change, etc.).
29. **Method of Original Award:** Enter the procurement method of Original Award if requesting amendment (e.g. RFP, Non-Competitive Request).

*Contact Name:	Melissa Blair	*Contact Phone:	615-532-7772
*Contract Number:	FA-06-16851-06	*RFS Number:	343.52.677-06
*Original Contract	June 30, 2006	*Current End	June 29, 2009

# Supplemental Documentation Required for Fiscal Review Committee

Begin Date:		Date:	
Current Request Amendment Number: <i>(if applicable)</i>	Six		
Proposed Amendment Effective Date: <i>(if applicable)</i>	June 30, 2009		
*Department Submitting:	Health		
*Division:	Nutrition & Wellness		
*Date Submitted:	April 30, 2009		
*Submitted Within Sixty (60) days:	No		
<i>If not, explain:</i>	Amendment was delayed due to negotiations with F&A and Ceridian to add additional duties and funding to provide telephonic cessation counseling to State employees. These negotiations are ongoing and have not been determined yet. Another amendment will be forth coming once an agreement has been met between F&A and Ceridian. We did not want to delay this Amendment any further.		
*Contract Vendor Name:	CERIDIAN CORPORATION		
*Current Maximum Liability:	\$1,382,820		
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY:2007	FY:2008	FY:2009	FY:      FY      FY
\$434,734	\$396,923	\$551,163	\$      \$      \$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>			
FY:2007	FY:2008	FY:2009	FY:      FY      FY
\$359,183	\$386,980	\$364,581	\$      \$      \$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:		A 10% of each invoice is retained until 15 days after the final completion of the services to be performed by the contractor.	
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:		The retained 10% is carried forward to be paid at the end of the contract.	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			
*Contract Funding	State:	\$573,007	Federal:      \$809,813

Supplemental Documentation Required for  
Fiscal Review Committee

Source/Amount:				
Interdepartmental:			<i>Other:</i>	
If " <i>other</i> " please define:				
Dates of All Previous Amendments or Revisions: ( <i>if applicable</i> )		Brief Description of Actions in Previous Amendments or Revisions: ( <i>if applicable</i> )		
Amendment 1 12/19/07		Funding Increase		
Amendment 2 06/19/07		Contractor name Change		
Amendment 3 07/26/07		Renewal for fiscal year 2007/2008		
Amendment 4 03/04/08		Funding Increase to add new state funds		
Amendment 5 06/30/08		Renewal for fiscal year 2008/2009		
Method of Original Award: ( <i>if applicable</i> )		RFP		

# REQUEST: NON-COMPETITIVE AMENDMENT

RECEIVED

APPROVED

MAY 01 2009

FISCAL REVIEW

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS # 343.52-677-06

2) State Agency Name : DEPARTMENT OF HEALTH

## EXISTING CONTRACT INFORMATION

3) Service Caption : TOBACCO QUITLINE SERVICES

4) Contractor : CERIDIAN CORPORATION

5) Contract # FA-06-16851-06

6) Contract Start Date : June 30, 2006

7) Current Contract End Date IF all Options to Extend the Contract are Exercised : June 29, 2011

8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised : \$ 2,485,146

## PROPOSED AMENDMENT INFORMATION

9) Proposed Amendment # Six

10) Proposed Amendment Effective Date : June 30, 2009  
(attached explanation required if date is < 60 days after F&A receipt)

11) Proposed Contract End Date IF all Options to Extend the Contract are Exercised : June 29, 2011

12) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised : \$2,246,340

13) Approval Criteria : ☒ use of Non-Competitive Negotiation is in the best interest of the state  
(select one)

☐ only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service :

The Tennessee Tobacco QuitLine is a telephonic tobacco cessation coaching program that is free to all residents of Tennessee tobacco users. Participants who call the QuitLine and enroll in the iCanQuit tobacco cessation program receive a telephone call from a Quit Coach who asks and collects the participant's individual tobacco history as well as other health information. Quit Coaches offer strategies to increase self-efficacy, identify barriers to change, and provide techniques to cope with and overcome barriers to quitting. Each enrolled participant receives 8 calls from their dedicated Quit Coach during the quitting process over 12 months. Participants may call their Quit Coach any time and can also communicate with them via email. Special program options are also offered to pregnant

smokers. Enrolled participants receive a Quit Kit to help them with the quitting process. This Amendment is being proposed in an effort to continue to provide the Tennessee Tobacco QuitLine as a recognized resource and asset for the provision of services to assist citizens of Tennessee in their desire and attempts to cease use of, and dependence on tobacco products.

**15) Explanation of Need for the Proposed Amendment :**

This Amendment is requested for approval to continue providing a telephonic tobacco cessation coaching program that is free to all residents of Tennessee tobacco users.

**16) Name & Address of Contractor's Current Principal Owner(s) :**  
(not required if proposed contractor is a state education institution)

Zachary Meyer, Senior Vice President, 3311 East Old Shakopee Road, Minneapolis, MN 55425

**17) Documentation of Office for Information Resources Endorsement :**  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**  
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

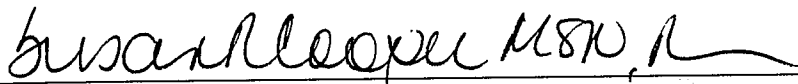
None—Current contract was awarded as a result of an RFP process. Contractor currently providing Quitline service. This amendment is to continue to provide existing telephonic tobacco cessation counseling.

**21) Justification for the Proposed Non-Competitive Amendment :**

The Tennessee Tobacco QuitLine vendor was selected based on a RFP process with a contract start date of June 30, 2006 and proposed ending date of June 29, 2011. The QuitLine is a free, telephone based cessation program that offers personalized support to Tennessee residents who want to quit smoking or chewing tobacco. The caller is connected to a trained professional quit coach that will guide tobacco users through the quitting process. The QuitLine initiative complements the goals and objectives of the National Tobacco Control Program administered at the federal level by the Centers for Disease Control and Prevention and locally by the Department of Health. Since the launch of the QuitLine on June 30, 2006 there have been approximately 27,422 calls made to the Tennessee Tobacco QuitLine for help to kick the habit. Many callers attribute their success in quitting to the iCanQuit program offered by the Tennessee Tobacco QuitLine. As part of the QuitLine services, a fax referral service became functional in October 2007. Since the inception of the fax referral program the Tennessee Tobacco QuitLine has received 13,004 total faxes.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature

4.30-09

Date

**AMENDMENT SIX  
TO CONTRACT NUMBER FA-06-16581-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Ceridian Corporation, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. Delete Section B.1., in its entirety and insert the following in its place:

B.1. **Contract Term.** This Contract shall be effective for the period commencing on June 30, 2006 and ending on June 29, 2010. The State shall have no obligation for services rendered by the Contractor, which are not performed within the specified period.

2. Delete Section C.1. in its entirety and insert the following in its place:

C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this contract exceed One Million Eight Hundred Fourteen Thousand Five Hundred Eighty Three Dollars (\$1,814,583). The Service Rates in Section C.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The contractor is not entitled to be paid the maximum liability for any period under the contract or any extensions of the contract for work not requested by the state. The maximum liability represents available funds for payment to the contractor and does not guarantee payment of any such funds for payment to the contractor under this contract unless the state request work and the contractor performs the said work. In which case, the contractor shall be paid in accordance with the service rates detailed in section C.3. The State is under no obligation to request work from the contractor in any specific dollar amounts or to request any work at all from the contractor during any period of this contract.

3. Delete Twenty Fifth Service Unit/Milestone in Section C.3.B., Services Unit/ Milestone in its entirety and insert the following in its place:

a. Development of concept design, versioning and revisions, \$1,556 per mo.  
for variety of media campaigns in English and Spanish (see  
scope A.4.) (Less 10% retention, per C.9.) Monthly payments after  
June 29, 2010 are contingent on contract extension referenced in  
Section B.2. of this contract.

4. Delete Section C.9. in its entirety and insert the following in its place:

C.9. **Retention of Final Payment.** An amount of One Hundred Eighty One Thousand Four Hundred Fifty Eight Dollars (\$181,458), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.

The revisions set forth herein shall be effective June 30, 2009. All other terms and conditions not expressly amended herein shall remain in full force and effect.



IN WITNESS WHEREOF,

CERIDIAN CORPORATION:

---

ZACHERY MEYER, PRESIDENT

DATE

---

PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)

DEPARTMENT OF HEALTH:

---

SUSAN R. COOPER, MSN, RN, COMMISSIONER

DATE

APPROVED:

---

COMMISSIONER OF FINANCE & ADMINISTRATION

DATE

---

COMPTROLLER OF THE TREASURY

DATE

## 021908

RFS #	343. 52 — 677 — 06			Contract #	FA-06-16851-05		
State Agency	TENNESSEE DEPARTMENT OF HEALTH			State Agency Division	HEALTH SERVICES ADMINISTRATION		
Contractor Name	CERIDIAN CORPORATION			Contractor ID # (FEIN or SSN)	<input type="checkbox"/> C- or XV- 41-1981625-00		
Service Description	TOBACCO QUITLINE						
Contract Begin Date	JUNE 30, 2006		Contract End Date	JUNE 29, 2009		SUBRECIPIENT or VENDOR?	CFDA #
				VENDOR		93.283	
Mark Each TRUE Statement				X Contractor's Form W-9 is on file in Accounts			
X Contractor is on STARS							
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code		
343	MULTI	139	11				
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2007	195,630.00	239,104.00			434,734.00		
2008	162,423.00	234,500.00			396,923.00		
2009	214,954.00	336,209.00			551,163.00		
TOTAL	575,007.00	809,813.00			1,382,820.00		
— COMPLETE FOR AMENDMENTS ONLY —				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	CRYSTAL ALLEN 741-9419				
2007	434,734.00		State Agency Budget Officer Approval				
2008	396,923.00		<i>Crystal Allen</i>				
2009		551,163.00	Funding Certification (certification required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)				
TOTAL:	831,657.00	551,163.00	MAY 30 2008				
End Date:	06/29/2008	06/29/2009					
Contractor Ownership (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government			
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT Minority/Disadvantaged	<input type="checkbox"/> Other			
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation *	<input type="checkbox"/> Alternative Competitive Method *					
Non-Competitive Negotiation *	<input type="checkbox"/> Negotiation w/ Government (ID, GG, GU)	<input type="checkbox"/> Other *					
* Procurement Process Summary (complete for selection by Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)							
				OCR MAY 29 2008 RECEIVED			

C O N T R A C T   S U M M A R Y   S H E E T   S U P P L E M E N T							
Contract Number							
Fiscal Year		2007					
Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11			93.283	239,104.00
343.52	150	139	11				195,630.00
TOTAL							\$434,734.00

# C O N T R A C T   S U M M A R Y   S H E E T   S U P P L E M E N T

Contract Number							
Fiscal Year		2008					
Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11				56,443.00
343.52	150	139	11			93.283	234,500.00
343.52	152	139	11				105,980.00
<b>TOTAL</b>							<b>\$396,923.00</b>

## CONTRACT SUMMARY SHEET SUPPLEMENT

**Contract Number**

Fiscal Year

Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11			93.283	336,209.00
343.52	150	139	11				214,954.00
TOTAL							\$551,163.00

**AMENDMENT FIVE  
TO CONTRACT NUMBER FA-06-16581-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Ceridian Corporation, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. Delete Section B.1., in its entirety and insert the following in its place:
  - B.1. **Contract Term.** This Contract shall be effective for the period commencing on June 30, 2006 and ending on June 29, 2009. The State shall have no obligation for services rendered by the Contractor, which are not performed within the specified period.
2. Delete Section C.1. in its entirety and insert the following in its place:
  - C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this contract exceed One Million Three Hundred Eighty Two Thousand Eight Hundred Twenty Dollars (\$1,382,820). The Service Rates in Section C.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The contractor is not entitled to be paid the maximum liability for any period under the contract or any extensions of the contract for work not requested by the state. The maximum liability represents available funds for payment to the contractor and does not guarantee payment of any such funds for payment to the contractor under this contract unless the state request work and the contractor performs the said work. In which case, the contractor shall be paid in accordance with the service rates detailed in section C.3. The State is under no obligation to request work from the contractor in any specific dollar amounts or to request any work at all from the contractor during any period of this contract.
3. Delete Section C.9. in its entirety and insert the following in its place:
  - C.9. **Retention of Final Payment.** An amount of One Hundred Thirty Eight Thousand Two Hundred Eighty Two Dollars (\$138,282), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.

The revisions set forth herein shall be effective July 1, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF:**

**CERIDIAN CORPORATION:**



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**  
Representatives

Curt Cobb	Donna Rowland
Curtis Johnson	David Shepard
Gerald McCormick	Curry Todd
Mary Pruitt	Eddie Yokley
Craig Fitzhugh, <i>ex officio</i>	
Speaker Jimmy Naifeh, <i>ex officio</i>	

**Sen. Douglas Henry, Vice-Chairman**  
Senators

Doug Jackson	Reginald Tate
Bill Ketron	Jamie Woodson
Paul Stanley	
Randy McNally, <i>ex officio</i>	
Lt. Governor Ron Ramsey, <i>ex officio</i>	

**M E M O R A N D U M**

TO: The Honorable Dave Goetz, Commissioner  
Department of Finance and Administration

FROM: Charles Curtiss, Chairman, Fiscal Review Committee  
Bill Ketron, Chairman, Contract Services Subcommittee

DATE: November 13, 2007

SUBJECT: **Contract Comments**  
(Contract Services Subcommittee Meeting 11/13/07)

cc  
BK

RFS# 343.52-677

Department: Health

Contractor: Ceridian Corporation

Summary: This vendor is responsible for operation of the Tennessee Tobacco Quitline which is a statewide toll-free telephone access line for cessation information, tobacco use counseling, and referral to local resources. The proposed amendment increases the maximum liability by \$114,509 to provide funding for advertising and system and reporting enhancements to the existing program.

Maximum liability: \$737,821

Maximum liability w/amendment: \$852,330

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Susan Cooper, Commissioner  
Mr. Robert Barlow, Director, Office of Contracts Review



RECEIVED

OCT 31 2007

FISCAL REVIEW

STATE OF TENNESSEE  
**DEPARTMENT OF HEALTH**  
CORDELL HULL BLDG.  
425 5TH AVENUE NORTH  
NASHVILLE TENNESSEE 37247

**PHIL BREDESEN**  
GOVERNOR

**SUSAN R. COOPER, MSN, RN**  
COMMISSIONER

October 30, 2007

M.D. Goetz, Jr., Commissioner  
Department of Finance & Administration  
State Capitol, First Floor  
Nashville, TN 37243-0285

Dear Commissioner Goetz:

The Department of Health requests your approval to non-competitively amend the Competitive Contract Number FA-06-16851-03 with Ceridian Corporation for the provision of a statewide toll free telephone based system called the Tennessee Tobacco QuitLine to assist tobacco users in quitting.

In May 2007, the Department submitted amendment #3 to continue the services of Ceridian Corporation. Since that time, we have recognized the need for ongoing and enhanced promotion of the QuitLine. In addition, the General Assembly appropriated \$10,000,000 to fund the Tobacco Use Prevention and Cessation Initiative on July 1, 2007. A portion of the funds have been allocated for enhancement of counseling services and promotion of the Tennessee Tobacco Quitline. After the appropriation was made in July 2007, the Department of Health began actively planning for the use of this funding to coincide with implementation of the Non-Smokers Protection Act.

We would like to amend the Department's contract with Ceridian Corporation to allow for system and reporting enhancements along with an increase in funding for promotion of the Tennessee Tobacco QuitLine through production, placement and distribution of print media, radio, employer directed marketing, and indoor and outdoor ads. The increase in funding will allow for additional questions to be asked of each caller that coincide with the smoking ban that began October 1, 2007. The additional questions will be reported into the computerized tracking system and databases. The enhancements in this amendment will also allow for the collection of satisfaction surveys and testimonials from Quitline clients in each health region.

We appreciate your approval to proceed with the amendment. Thank you for considering this request.

Sincerely,

Susan R. Cooper, MSN, RN



## REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

OCT 31 2007

Commissioner of Finance &amp; Administration

Date:

FISCAL REVIEW

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	343.52-677-06	
2) State Agency Name :	DEPARTMENT OF HEALTH	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	TOBACCO QUITLINE SERVICES	
4) Contractor :	CERIDIAN CORPORATION	
5) Contract #	FA-06-16851-03	
6) Contract Start Date :	June 30,2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 29, 2011	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$ 1,844,522	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	Four	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	January 1, 2008	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 29, 2011	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$2,128,049	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
<p>With the major policy successes achieved during the last legislative session such as passage of the Non-Smoker's Protection Act and an increase in the cigarette excise tax, the Governor and Commissioner of Health have embarked on a major initiative to implement a comprehensive tobacco use prevention and cessation effort in Tennessee. The initiative complements the goals and objective of the National Tobacco Control Program administered at the federal level by the Centers for Disease Control and Prevention and locally by the Department of Health. The initiative includes the enhancement of cessation counseling services, reporting and promotion of the Tennessee Tobacco QuitLine, a key evidence based strategies used by the Department of Health to offer tobacco users help in quitting</p>		

and ultimately decrease tobacco use in Tennessee. This Amendment is being proposed in an effort to improve promotion of the Tennessee Tobacco QuitLine as a recognized resource and asset for the provision of services to assist citizens of Tennessee in their desire and attempts to cease use of, and dependence on tobacco products. The funding and scope of service additions provide the following: 1) Fund additional Media development and media placement sources ;2) Fund development of additional promotional material;3) promote use of health care provider fax referral system;4) Increase contractors funding for additional counseling services; 5) Fund enhancement of contractor client database to provide and capture a broader range of information for department reporting purposes.

**15) Explanation of Need for the Proposed Amendment :**

This Amendment is requested for approval to add service expansion and improvements to the current scope of service and for the input of additional funding in support of the amendment.

**16) Name & Address of Contractor's Current Principal Owner(s) :**  
(not required if proposed contractor is a state education institution)

Zachary Meyer, Senior Vice President, 3311 East Old Shakopee Road, Minneapolis, MN 55425

**17) Documentation of Office for Information Resources Endorsement :**  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**  
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

None –Current contract was awarded as a result of an RFP . Contractor currently providing Quitline service. This amendment is only to fund an enhancement and expansion of many of the existing services.

**21) Justification for the Proposed Non-Competitive Amendment :**

In FY 08, the Department of Health was appropriated \$10 million in State funding to implement the comprehensive tobacco use prevention and cessation initiative. A portion of the funds are allocated for enhancement of counseling services and promotion of the Tennessee Tobacco QuitLine. Since the launch of the QuitLine on June 30, 2006 nearly 3,000 Tennesseans have called the QuitLine for help to kick the habit and many attribute their success in doing so to the iCanQuit program offered by the Tennessee Tobacco QuitLine. Although this number represents success for a first year cessation service, it is far short of our goal of providing services to 1,000-2,000 callers per month. During year one of the Tennessee Tobacco QuitLine media and promotional resources were very limited. As a result, there is low awareness of the QuitLine among the residents of Tennessee. The focus in the current year is to increase awareness and drive calls to the QuitLine thus increasing tobacco quit attempts and success by a large proportion of the 800,000 Tennesseans who want help in quitting tobacco use.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

*Edward R Cooper MSN, RN*

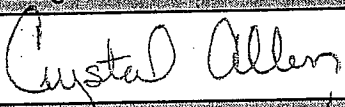
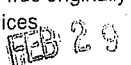
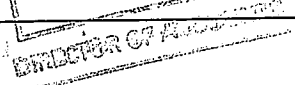
*10-30-07*

Agency Head Signature

Date

# CONTRACT SUMMARY SHEET

021406

<b>RFS #</b>		<b>Contract #</b>	
343.52-677-06		FA-06-16851-04	
<b>State Agency</b>		<b>State Agency Division</b>	
TENNESSEE DEPARTMENT OF HEALTH		HEALTH SERVICES ADMINISTRATION	
<b>Contractor Name</b>		<b>Contractor ID # (FEIN or SSN)</b>	
Ceridian Corporation		C- or <input checked="" type="checkbox"/> V- 41-1981625-00	
<b>Service Description</b>			
TOBACCO QUITLINE			
<b>Contract BEGIN Date</b>	<b>Contract END Date</b>	<b>Subrecipient or Vendor?</b>	<b>CFDA #</b>
June 30, 2006	June 29, 2008	Vendor	93.283
<b>Mark Each TRUE Statement</b>			
<input checked="" type="checkbox"/> Contractor is on STARS		<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts	
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>
343.52	multi	139	11
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>
2007	\$ 195,630.00	\$ 239,104.00	
2008	\$ 162,423.00	\$ 234,500.00	
<b>TOTAL</b>	\$ 358,053.00	\$ 473,604.00	\$ -
<b>— COMPLETE FOR AMENDMENTS ONLY —</b>		<b>State Agency Fiscal Contact &amp; Telephone #</b>	
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	CRYSTAL ALLEN (615) 741-9419
2007	\$ 434,734.00	\$ -	<b>State Agency Budget Officer Approval</b> 
2008	\$ 303,087.00	\$ 93,836.00	
<b>Funding Certification</b> (certification required by T.C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			<b>RECEIVED</b> <b>OFFICE OF MANAGEMENT &amp; INFORMATION</b> <b>FEB 27 4:00 PM '08</b>
<b>TOTAL</b>	\$ 737,821.00	\$ 93,836.00	
<b>End Date</b>	6/29/2008	6/29/2008	
<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged
<b>Contractor Selection Method</b> (complete for ALL base contracts — N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	
<b>Procurement Process Summary</b> (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			
The Grantee was originally selected based upon it's reponse to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services  			

Contract Number							
Fiscal Year		2007					
Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11			93.283	\$239,104.00
343.52	150	139	11				\$195,630.00
TOTAL							\$434,734.00

# CONTRACT SUMMARY SHEET SUPPLEMENT

Contract Number							
Fiscal Year		2008					
Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11				\$56,443.00
343.52	150	139	11			93.283	\$234,500.00
343.52	152	139	11				\$105,980.00
TOTAL							\$396,923.00

**AMENDMENT FOUR  
TO CONTRACT NUMBER FA-06-16581-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Ceridian Corporation, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. Delete Section A.1.c., A.1.h., A.1.j., A.2., A.4., A.5., A.9., A.13., A.14., A.15., A.16., A.17., A.18., and replace these sections with the following:

A.1.c. For callers ready to quit within 30 days; the Contractor shall develop, produce and provide 1) an immediate brief intervention; 2) forward the caller to a counselor, if desired; 3) mail a quit kit tailored to the caller; 4) review Federal Drug Administration (FDA) approved cessation medications and advise on availability through Tennessee health plans or discount programs; 5) refer to community based services; and 6) offer five (5) proactive coaching calls with a time table sensitive to relapse prevention. 7) Beginning February 1, 2008, offer eight (8) proactive coaching calls with a time table sensitive to relapse prevention. This call model includes a coaching call made within four (4) to eight (8) weeks after the client's quit date.

A.1.h. The Contractor shall provide a computerized tracking system and relational databases for tracking all callers' information, demographics, services provided, referrals and client outcomes. The contractor must maintain a relational database capable of linking individual client characteristics (at intake) to services received, outcomes, and, applicable, provider referral information (e.g. provider name, organization). The system must have the capacity to produce reports on call center operations, including call patterns by time of day, day of week and month. Client characteristics include age, gender, zip code, education, number of children in the home, tobacco users in the home, insurance status and type [Medicaid (TennCare), Medicare, commercial insurance, uninsured, unknown], smoking history, current tobacco use status, level of dependency, language – (English, Spanish, and other languages) and motivation to quit.

Beginning February 1, 2008, the contractor must ask each caller the following question and track the response in the computerized tracking system and relational databases:

"I am going to read a list of some of the reasons that people give for trying to quit smoking. As I read each one, please tell me if that reason was influential in your decision to try to quit tobacco. You may have more than one reason to try to quit."

- Increased cost of cigarettes (New 2007 Tennessee cigarette tax increase).
- New 2007 Tennessee smoking ban.
- Concern for what tobacco could do to your future health.
- Concern for what tobacco is presently doing to your health.
- Pressure from family and friends.
- None of the above.

The Contractor shall track and report services separately for self-referred callers and tobacco users fax-referred by provider and assess differences between the two groups.

- A.1.j. The Contractor shall develop for review and approval by the State, an implementation plan for continuous quality improvement and client outcome evaluation. Follow-up calls with quitline clients must be conducted at 3, 6, 9 and 12 months after the initial client call to verify tobacco use status of both fax-referred and self-referred callers to assess satisfaction, consumption reduction, quit attempts and sustained quits.

Beginning February 1, 2008, the Contractor shall also collect satisfaction surveys and testimonials from quitline clients at least during the three (3) month client follow up call. The Contractor will attempt a 25% response rate in the survey collection process. Methods for computing and reporting quit rates should conform to CDC and NAQC recommendations.

- A.2. Establish, implement and maintain operation of an automated 24-hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation and beginning February 1, 2008 loop service. The quit tip line shall be operational for caller use before and after normal business hours seven (7) days per week and provide service on holidays.

- A.4. The Contractor shall:

1. Develop media concept, design, versioning and revisions for prior review and approval by the State, in accordance with Ceridian proposal dated July 9, 2007, of a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations, during the term of this contract and any term extensions exercised by the state pursuant to section B.2. of the contract.
2. The campaigns, including media placement such as radio, employer directed marketing, indoor and outdoor ads, shall begin no later than February 1, 2008, and shall continue as specified through June 29, 2008, and any term extensions exercised by the State pursuant to Section B.2. of the contract.

- A.5. The Contractor shall develop Tennessee quitline promotional materials and cessation support materials in English and Spanish, tailored for Tennessee-specific priority populations: pregnant women, youth, college students and spit/chew tobacco users (e.g., tri-fold brochures, palm cards, etc.) during the term of this contract and any term extensions exercised by the state pursuant to section B.2. of the contract. Promotional material shall be submitted for prior review and approval by the State may be developed in collaboration with other and/or neighboring states. Upon approval, the Contractor shall provide to the State a print/production ready original of each promotional item or product created to promote the Tennessee Tobacco Quitline.

- A.9. Develop and submit for prior review and approval by the state, a fax referral form and program for use by Tennessee health care providers and health care institutions to fax refer clients. Upon approval of the form and program by the state, the contractor shall provide the forms, via facsimile, statewide, to the state, health care providers and health care institutions. The fax referral form program shall be a critical component in the referral system and provide an avenue to let the health care

providers and organizations know the quitline service exist. The fax referral program shall include a plan to implement a system of fax feedback for reports to providers and institutions that adopt a quitline fax referral program. The fax referral form and feedback program shall be developed and ready for use by December 31, 2006.

The Contractor shall continue operation, promotion and revisions of the fax referral form and service for use by Tennessee health care providers and health care institutions to fax refer clients. During the term of this contract and any term extensions exercised by the state pursuant to section B.2. of the contract. Upon approval of any revision to the form and service by the State, the Contractor shall provide access to the fax referral service via facsimile and electronically, statewide, to the State, health care providers, and health care institutions.

A.13.a. Submit first progress activity report for all calls received and services provided during the reporting period in a format approved by the State for the period from June 30, 2007 through October 31, 2007, due no later than November 15, 2007, which at a minimum shall include the following information.

1. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
2. types and amounts of services provided (e.g., referral to local resources, amount type of material distributed.)
3. caller demographics and other client characteristics information obtained at intake/assessment.
4. client outcomes (quit attempts, consumption reduction).
5. operations, including call patterns by time of day, day of week and month; waiting time for callers.
6. volume of calls received during times when a live answer is not available, abandonment rates.
7. other data analysis as requested by the State.

A.13.b. Submission of progress activity reports for all calls received and services provided during the reporting period in a format approved by the State for the period June 30 through September 30, which are due by October 15, which at a minimum shall include the following information. The Contractor will also submit a de-identified data set in a mutually agreed upon format including the NAQC Proposed Minimal Data Set. (Submission of progress activity reports which are due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract).

1. Call volume as the total number of all calls handled by the call center, live answer, dropped/abandoned, after hour calls, the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and other callers.



2. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, speed to answer/waiting time for callers, the number of calls received during times when a live answer is not available and abandonment rates.
3. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial, uninsured, unknown and language – English, Spanish, and other languages.
4. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, adult).
5. Referral patterns as the number and percent of referrals made to local resources such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
6. Client outcomes including at a minimum such as client characteristics, referral source and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
7. Promotional activity including distribution of promotional materials, information request, call volume and enrollment. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery and the impact of promotional activity.
8. Other data or reporting as reasonably requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis as agreed upon by the Contractor and the State.

A.14.a. Submit second progress activity report from October 1, 2007 through December 31, 2007, due no later than January 15, 2008, which at a minimum shall include the following information.

1. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
2. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed.)
3. caller demographics and other client characteristics information obtained at intake/assessment.
4. client outcomes (quit attempts, consumption reduction, quit status at 3 months).
5. operations, including call patterns by time of day, day of week and month; waiting time for callers.

6. volume of calls received during times when a live answer is not available abandonment rates.
  7. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
- A.14.b. Submission of progress activity reports for all calls received and services provided during the reporting period in a format approved by the State for the period October 1 through December 31, which are due by January 15, which at a minimum shall include the following information. The Contractor will also submit a de-identified data set in a mutually agreed upon format including the NAQC Proposed Minimal Data Set. (Submission of progress activity reports which are due by January 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract).
1. Call volume as the total number of all calls handled by the call center, live answer, dropped/abandoned, after hour calls, the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and other callers.
  2. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, speed to answer/waiting time for callers, the number of calls received during times when a live answer is not available and abandonment rates.
  3. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial, uninsured, unknown and language – English, Spanish, and other languages.
  4. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, adult).
  5. Referral patterns as the number and percent of referrals made to local resources such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
  6. Client outcomes including at a minimum, such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/ consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
  7. Promotional activity including distribution of promotional materials, information request, call volume and enrollment. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery and the impact of promotional activity.

8. Other data or reporting as reasonably requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis as agreed upon by the Contractor and the State.
- A.15. The Contractor shall submit a semi-annual report for all calls received and services provided during the reporting period in a format approved by the State for the period from June 30, 2007 through December 31, 2007, due no later than January 31, 2008 on continuous quality improvement, including recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations or evaluation and identification of any obstacles to the effectiveness of the program; e.g. year to date comparison data, trends, breakdowns by counties, insurance status. The Contractor will also submit a de-identified data set in a mutually agreed upon format including the NAQC Proposed Minimal Data Set. (Submission of semi-annual reports due by January 31 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
- A.16. Submission of third progress activity report for all calls received and services provided during the reporting period in a format approved by the State for the period from January 1, 2008 through March 31, 2008, due no later than April 15, 2008, which at a minimum shall include the following information. The Contractor will also submit a de-identified data set in a mutually agreed upon format including the NAQC Proposed Minimal Data Set. (Submission of progress activity reports due by April 15; in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
  - a. Call volume as the total number of all calls handled by the call center, live answer, dropped/abandoned, after hour calls, the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and other callers.
  - b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, speed to answer/waiting time for callers, the number of calls received during times when a live answer is not available and abandonment rates.
  - c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial, uninsured, unknown and language – English, Spanish, and other languages.
  - d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, adult).
  - e. Referral patterns as the number and percent of referrals made to local resources such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.

- f. Client outcomes including at a minimum such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
  - g. Promotional activity including distribution of promotional materials, information request, call volume and enrollment. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery and the impact of promotional activity.
  - h. Other data or reporting as reasonably requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis as agreed upon by the Contractor and the State.
- A.17. Submission of fourth progress activity report for all calls received and services provided during the reporting period in a format approved by the State for the period from April 1, 2008 through June 29, 2008, due no later than July 15, 2008, which at a minimum shall include the following information. The Contractor will also submit a de-identified data set in a mutually agreed upon format including the NAQC Proposed Minimal Data Set. (Submission of progress activity reports due by July 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this contract.)
- a. Call volume as the total number of all calls handled by the call center, live answer, dropped/abandoned, after hour calls, the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and other callers.
  - b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, speed to answer/waiting time for callers, the number of calls received during times when a live answer is not available and abandonment rates.
  - c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial, uninsured, unknown and language – English, Spanish, and other languages.
  - d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, adult).
  - e. Referral patterns as the number and percent of referrals made to local resources such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.

- f. Client outcomes including at a minimum such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
  - g. Promotional activity including distribution of promotional materials, information request, call volume and enrollment. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery and the impact of promotional activity.
  - h. Other data or reporting as reasonably requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis as agreed upon by the Contractor and the State.
- A.18. Submission of annual project Summary report for all calls received and services provided during the reporting period in a format approved by the State for the period June 30, 2007 through June 29, 2008, due by August 1, 2008, which at a minimum shall include the following information. The Contractor will also submit a de-identified data set in a mutually agreed upon format including the NAQC Proposed Minimal Data Set. (Submission of annual summary reports due by August 1, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.
- a. Call volume as the total number of all calls handled by the call center, live answer, dropped/abandoned, after hour calls, the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and other callers.
  - b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, speed to answer/waiting time for callers, client satisfaction and service utilization, the number of calls received during times when a live answer is not available and abandonment rates.
  - c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial, uninsured, unknown and language – English, Spanish, and other languages.
  - d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, adult).

- e. Referral patterns as the number and percent of referrals made to local resources such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
- f. Client outcomes including at a minimum such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
- g. Promotional activity including distribution of promotional materials, information request, call volume and enrollment. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery and the impact of promotional activity.
- h. Other data or reporting as reasonably requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis as agreed upon by the Contractor and the State.
- i. Annual process outcome and impact evaluation of the Tennessee Tobacco QuitLine including continuous quality improvement, recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations and identification of any obstacles to the effectiveness of the program (e.g. year to date comparison data, trends, breakdowns by counties, insurance status).

A.19. Add the following for the period beginning February 1, 2008.

Service Operations Not Met/Malfunction of Quitline:

In the event that the Quitline services are not functioning properly, the State will deduct a fixed amount of \$800.00 for each day or any part of a day, after February 1, 2008, that the Quitline services are not functioning properly or until services are performing adequately as specified in the terms of the contract with the exception of the failure to meet those operational requirements that are due to the failure of a third party to meet its obligations, or a Force Majeur event or required system maintenance. The Contractor will notify the State within 48 hours of system downtime due to required system maintenance and the length of time the system will not be functioning. All service operations of the Quitline must be functioning as specified within sections A.1. and A.2. At the point that the Contractor becomes aware that the Quitline is not functional, the Contractor will notify the State Contact person identified in Section E.2. within one hour during normal business hours. If the Quitline is not functional, on a weekend, night or holiday, upon becoming aware of such, the Contractor will notify the State the next business day by 9:00 a.m. Central Time.

A.20. Add the following for the period beginning February 1, 2008.

**Disaster Recovery:**

The Contractor shall be required to maintain, update and test a disaster recovery plan that has the capability to minimize the likelihood of disruption of all services specified in this contract. It shall be the sole responsibility of the contractor to provide and maintain adequate back up capability to ensure continued provision of all services specified in this Contract. The disaster recovery plan developed by the Contractor must be approved by the State. Such approval shall not be unreasonably withheld and shall be approved within 10 days of execution of this amendment.

2. The text of contract section C.1. is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this contract exceed Eight Hundred Thirty One Thousand Six Hundred Fifty Seven Dollars (\$831,657). The Service Rates in Section C.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The contractor is not entitled to be paid the maximum liability for any period under the contract or any extensions of the contract for work not requested by the state. The maximum liability represents available funds for payment to the contractor and does not guarantee payment of any such funds for payment to the contractor under this contract unless the state request work and the contractor performs the said work. In which case, the contractor shall be paid in accordance with the service rates detailed in section C.3. The State is under no obligation to request work from the contractor in any specific dollar amounts or to request any work at all from the contractor during any period of this contract.

3. The text of the following as the Fifteenth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
Submission of first progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by November 15, 2007 (see scope A.13.) (Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due for the period June 30 through September 30 which are due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.	\$3,780

4. The text of the following as the Sixteenth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

Submission of second progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – submitted by January 15, 2008 (see scope A.14.) \$2,700  
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

5. The text of the following as the seventeenth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

Submission of Semi-Annual report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by January 31, 2008 (see scope A.15.) \$3,051  
(Amount to be paid upon completion of the milestone- Less 10% retention, per C.9.) Submission of a semi-annual reports due by January 31 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

6. The text of the following as the Eighteenth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

Submission of third progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by April 15, 2008 (see scope A.16.) \$2,700  
(Amount to be paid upon completion of the milestone – Less 10% retention, per C.9.) Submission of progress activity reports due by April 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

7. The text of the following as the Twentieth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

Submission of fourth progress activity report and companion linked data files for all calls received and services provided during \$2,700



the reporting period in a format approved by the State –  
 Submitted by July 15, 2008 (see scope A.17.)  
 (Amount to be paid upon completion of the milestone -  
 Less 10% retention, per C.9.) Submission of progress activity  
 reports due by July 15 in a subsequent contract period or periods  
 is contingent on contract extension referenced in Section B.2. of  
 this Contract.

8. The text of the following as the Twenty First Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
Submission of project summary report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by August 1, 2008 (see scope A.18.) (Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of project summary reports due by August 1 in a subsequent contract period or periods contingent on a contract extension referenced in Section B.2. of this Contract.	\$3,780

9. The text of the following as the Twenty Second Service Unit/Milestone in Section C.3.B., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
Monthly operational cost of tobacco quitline June 30, 2007 – October 31, 2007 (Less 10% retention, per C.9.)	\$18,298 per month
Monthly operational cost of tobacco quitline February 1, 2008 – June 29, 2008 (Less 10% retention, per C.9.)	\$23,544 per month
Monthly payments after June 29, 2008 are contingent on contract extension referenced in Section B.2. of this contract and will be made at the same rate as payments for January 2008 – June 29, 2008.	

10. Add the following as the Twenty Fourth Service Unit/Milestones in Section C.3.B., Services Unit/Milestone, for the period beginning February 1, 2008.

Maintain operation of the automated 24 hour quit tip service telephone line with the addition of a loop service feature (see scope A.2.) (Less 10% retention, per C.9.) Monthly payments after June 29, 2008 are contingent on contract extension referenced in Section B.2. of this contract.	\$ 332.00 per month
---	---------------------

11. Add the following as the Twenty Fifth Service Unit/Milestone in Section C.3.B., Services Unit/ Milestone, for the period beginning February 1, 2008.

- a. Development of concept design, versioning and revisions, \$1,556 per mo.  
for variety of media campaigns in English and Spanish (see  
scope A.4.) (Less 10% retention, per C.9.) Monthly payments after  
June 29, 2008 are contingent on contract extension referenced in  
Section B.2. of this contract.
- b. Media Placement to include press releases, employer directed  
marketing, indoor and outdoor ads such as king size bus ads,  
street side posters, bench ads, shelter ads and bill boards  
(see Scope A.4.). (Less 10% retention, per C.9.) Monthly  
payments after June 29, 2008 are contingent on contract  
extension referenced in Section B.2. of this contract.

Total of media placement \$9,950.00 monthly amount to include:

- |   |                     |
|---|---------------------|
| 1) Press Releases, Employer Directed Marketing Campaign:  | \$ 3,963.00 per mo. |
| 2) Indoor ads- #25 GRP; 40 ads in Memphis and Nashville *   | \$ 420.00 per mo.   |
| 3) Outdoor Ad, Transit/bus Exterior-#25 GRP; 25 King size posters in Nashville, 20 King size posters in Chattanooga and 38 King-Size posters in Memphis | \$2,252.00 per mo.  |
| 4) Outdoor Ads, Street side posters -#25 GRP; 5 in Jackson  | \$ 63.00 per mo.    |
| 5) Outdoor Ads, Benches/Shelters -#25 GRP; 50 benches in Nashville; 25 shelters in Nashville  | \$1,552.00 per mo.  |
| 6) Outdoor Ads, Billboards - #25 GRP; 68 billboards in Memphis  | \$1,700.00 per mo.  |

12. Add the following as the Twenty Sixth Service Unit/Milestones in Section C.3.B., Services Unit/ Milestone, for the period beginning February 1, 2008.

Continue development and production of Quit line promotional material \$ 3,072 per mo.  
in English and Spanish.(see scope A.5). (Less 10% retention, per C.9.)  
Monthly payments after June 29, 2008 are contingent on contract  
Extension referenced in Section B.2. of this contract.

13. Add the following as the Twenty Seventh Service Unit/Milestones in Section C.3.B., Services Unit/ Milestone, for the period beginning February 1, 2008.

Continue promotion and operation of a fax referral system \$ 517.00 per mo.  
for Tennessee Health Care Professionals and Providers  
(see scope A.9.) (Less 10% retention, per C.9.)  
(Monthly payments after June 29, 2008 are - contingent on contract  
extension referenced in Section B.2. of this contract.

14. Add the following as the Twenty Eighth Service Unit/Milestones in Section C.3.B., Services Unit/Milestone, for the period beginning February 1, 2008.

Programming cost for the enhancements as referenced in:  
A.1.c.7, A.1.h, A.1.j, A.2, A.4.1, A.4.2.

\$ 30,000

15. Delete section C.9 in its entirety and insert the following in its place:

C.9. Retention of Final Payment. An amount of Eighty Three Thousand One Hundred, Sixty Six (\$83,166), representing ten percent (10%) of the maximum total compensation payable under this contract, shall be withheld by the state until fifteen (15) days after final completion of the services to be performed by the contractor under this contract.

16. Delete section E.2 in its entirety and insert the following in its place:

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Melissa Blair, MS  
Director, Nutrition and Wellness  
Tennessee Department of Health  
Cordell Hull Building, 5th Floor  
425 Fifth Avenue, North  
Nashville, Tennessee 37243-5210  
Email Address: Melissa.Blair@state.tn.us  
Telephone # (615) 532-7772  
Fax # (615) 532-7189

The Contractor:

Zachary Meyer, Sr. Vice President  
Ceridian Corporation  
3311 East Old Shakopee Road,  
Minneapolis, Minnesota 55425  
Email: Zachary.Meyer@ceridian.com  
Telephone # (952) 853-3301  
Fax # (952) 853-5270

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or as of the day the electronic transmission of such by telefax or email is received and confirmed by the designated recipient.

The revisions set forth herein shall be effective February 1, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

CERIDIAN CORPORATION:

Zachery D. Meyer  
GRANTEE SIGNATURE

January 16, 2008  
DATE

Zachery Meyer, President SR VILE PRESIDENT

PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)

DEPARTMENT OF HEALTH:

Susan R. Cooper, MSN, RN 1-24-08  
SUSAN R. COOPER, MSN, RN, COMMISSIONER / DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M.D. Goetz, Jr. JP 2-26-08  
M. D. GOETZ, JR., COMMISSIONER DATE

John G. Morgan

2/27/08

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**

**Representatives**

Curt Cobb Donna Rowland  
Curtis Johnson David Shepard  
Gerald McCormick Curry Todd  
Mary Pruitt Eddie Yokley  
Craig Fitzhugh, *ex officio*  
Speaker Jimmy Naifeh, *ex officio*

**Sen. Douglas Henry, Vice-Chairman**

**Senators**

Doug Jackson Reginald Tate  
Bill Ketron Jamie Woodson  
Paul Stanley  
Randy McNally, *ex officio*  
Lt. Governor Ron Ramsey, *ex officio*

**M E M O R A N D U M**

TO: The Honorable Dave Goetz, Commissioner  
Department of Finance and Administration

FROM: Charles Curtiss, Chairman, Fiscal Review Committee *cc*  
Bill Ketron, Chairman, Contract Services Subcommittee *BK*

DATE: June 28, 2007

SUBJECT: **Contract Comments**  
(Contract Services Subcommittee Meeting 6/26/07)

RFS# 343.52-677

Department: Health

Contractor: Ceridian Corporation

Summary: This vendor is responsible for the operation of the Tennessee Tobacco Quitline which is a statewide toll-free telephone access line for cessation information, tobacco use counseling, and referral to local resources. The proposed amendment extends the current contract for one additional year, effective through June 29, 2008, and increases the maximum liability by \$303,087.

Maximum liability: \$434,734

Maximum liability w/amendment: \$737,821

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Susan Cooper, M.S.N., R.N., Commissioner  
Mr. Robert Barlow, Director, Office of Contracts Review



RECEIVED

MAY 30 2007

STATE OF TENNESSEE  
DEPARTMENT OF HEALTH  
CORDELL HULL BLDG.  
425 5TH AVENUE NORTH  
NASHVILLE TENNESSEE 37247

FISCAL REVIEW

PHIL BREDESEN  
GOVERNOR

SUSAN R. COOPER, MSN, RN  
COMMISSIONER

**MEMORANDUM**

TO: M. David Goetz, Jr., Commissioner, Department of Finance and  
Administration  
James W. White, Executive Director, Fiscal Review Committee

FROM: Susan R. Cooper, MSN, RN Commissioner, Department of Health *src*

DATE: May 25, 2007

SUBJECT: Non-Competitive Contract Amendment Request

We are requesting approval to execute a Non-Competitive Amendment to the Ceridian Corporation contract for the Tennessee Tobacco Quitline. This grantee was selected to provide these services from applications written under RFP guidelines. The beginning date of this contract is June 30, 2006. This amendment will extend this contract until June 29, 2008. The start date of this amendment, June 30, 2007, will be less than 60 days after receipt of this non-competitive amendment request.

The Tennessee Tobacco Quitline is a statewide toll free dial-in telephone service to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in both English and Spanish. The quitline serves as the state's access line for cessation information, tobacco use counseling, and referral to local resources. The Tennessee Tobacco Quitline is the only service of this kind provided by the state and it is in the state's best interest to continue this service without interruption.

We will be happy to provide you with any additional information needed to evaluate and approve this request. Thank you for your consideration regarding this request.

cc: Cathy R. Taylor



STATE OF TENNESSEE  
**DEPARTMENT OF HEALTH**  
CORDELL HULL BUILDING  
425 5TH AVENUE NORTH  
NASHVILLE, TENNESSEE 37247

**MEMORANDUM**

TO: Ben Riley

FROM: Dean Daniel

DATE: May 25, 2007

SUBJECT: Contract Amendment # 3, Ceridian Corporation, Tennessee Tobacco Quitline Services, RFS #343.52-677.06, June 30, 2006/June 29, 2008

The Department Of Health entered into a contract with the Ceridian Corporation to establish and maintain the Tennessee Tobacco Quitline with an effective date of June 30 2006. The Ceridian Corporation was selected to provide these services from vendors who applied to the state under Request for Proposal (RFP) guidelines. The Tennessee Tobacco Quitline is a statewide toll free dial-in telephone service to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in both English and Spanish. The quitline serves as the state's access line for cessation information, tobacco use counseling, and referral to local resources.

During state fiscal year 2006-2007 this contract was amended twice. The first amendment updated language in the scope of services, set forth dates for milestones and established reimbursement amounts for milestones reached. The second amendment changed the name of the original vendor from The Mulvihill Group d/b/a Leade Health, Incorporated to the Ceridian Corporation.

Amendment # 3 is now being submitted. This amendment will add language in the scope of services relative to required reports and establishes dates for reporting requirements. This amendment also adds an additional \$303,087 state funding for the quitline and extends the date of the contract from June 30, 2006 to June 29, 2008.

This amendment is being submitted outside the 60 day timeframe as required by the Department of Finance and Administration. Program staff inadvertently overlooked the processing of this amendment and did not realize this contract had to be amended, at least on an annual basis, since the end date of the RFP is June 30, 2011. Program staff in the Community Medical Services Tobacco Program had not previously processed an



amendment to a contract written under a Request for Proposal when extending the date of the contract and adding additional funding as well. It took sometime for the program staff to pull together the information needed to process this type of amendment in accordance with established contract guidelines, Therefore, this contract amendment was not prepared and submitted within the 60 day requirement.

The contractor has not been authorized to commence work on the scope of services after June 29, 2007, and understands that an executed contract has to be in place before work can begin. No other reimbursement is due to this contractor other than that as authorized in the original contract, with amendments # 1 and 2.

The Tobacco Program staff and staff from the Bureau of Health Services have been in contact with the contractor and the Department's Office of Contract Review regarding the late submission of this contract and have urged the expediting and approval of this contract amendment so this vital service can continue to be provided to the citizens of Tennessee without interruption.

cc: Leslie Humphreys  
Alisa Malone  
Jessie Reid

# TDOH CONTRACT PROCESSING WORKSHEET

Today's Date April 23, 2007/5-11-07/5-14-07

Program Submitting Contract : Tobacco Program

Contract Tracking# **2007-05-11-005**

Program Contact : Donna Henry Phone# 615-253-5800

Prior Contract # FA-06-16851-02

CONTRACT TERM: June 30, 2006 Through June 29, 2008

Prior RFS #343.52-677-06 formerly 2006-06-05-001

<b>Check One</b> New _____ Renewal _____	Contractor: <b>CERIDIAN CORPORATION</b>	Fed ID# <b>V41-1981625-00</b>
	Authorized Signer's Name and Title: <u>Zachary Meyer, Senior Vice President</u>	Phone# <u>(952) 853-3301</u> Fax# <u>(952) 853-5270</u>
<b>Check One</b> Amend # <u>3</u> <u>X</u> Revenue _____ DPA _____ DGA _____ NC _____ Other _____	Contractor Address: <u>3311 East Old Shakopee Road.</u>	E-Mail: <u>Zachary.Meyer@ceridian.com</u>
	City, State & Zip: <u>Minneapolis, MN 55425-1640</u>	
	Brief Description of Service: <u>Tennessee Tobacco Quitline Service</u>	
	Service Area County Code: <u>Statewide</u>	Vendor Registered in SPRS: Yes: <u>X</u> No _____
Statewide <u>X</u> Out of State _____ Out of Country _____	Does State need Business Associate Agreement with Contractor? Yes _____X_____ No _____	

Procurement Method: \* **Competitive (attach documentation)** \* **Non-Competitive (attach justification)**

Funding	TOTAL CONTRACT AMOUNT	CURRENT YEAR AMOUNT	PRIOR AMOUNT	AMOUNT OF DIFFERENCE	For Multiple	
					AC/CC	\$
Contract Amount	\$737,821		\$434,734	\$303,087	343.	
Personnel Expenses	0			0	343.	
Total State Funding	\$331,716		\$195,630	\$136,086	343.	
Total Federal Funding Type: CFDA# Type: 93.283	\$ 406,105		\$239,104	\$167,001	343.	
Total Other Funding Type:						
Allot. Code & CC	343.52-150		343.52-150		Contract to Vendor Vendor to Bureau Bureau to DCR	Date: Date: Date:
Number of Positions	0		0			

## Review/Approvals:

Program Contract Developer:

Name Jessie Reid Initials JR Date 5/11/07

Section/Regional Director:

Name Alisa Malone Initials AMM Date 5/11/07

Bureau Budget:

Name Cristina Alford Initials AEA Date 5/23/07

Bureau Contact: MWS/23/07

Name Christy Williams Initials CCW Date 5-17-07

Bureau Director:

Name Dr. Cathy Taylor Initials RD Date 5-24-07

Legal:

BAS Funds Certification & Budget:

BAS Contract Review:

BAS Assistant Commissioner:

# CONTRACT SUMMARY SHEET

021406

<b>RF3 #</b>				<b>Contract #</b>			
<b>343.52-677-06</b>				<b>FA-06-16851-03</b>			
<b>State Agency</b>				<b>State Agency Division</b>			
TENNESSEE DEPARTMENT OF HEALTH				HEALTH SERVICES ADMINISTRATION			
<b>Contractor Name</b>				<b>Contractor ID # (FEIN or SSN)</b>			
Ceridian Corporation				C- or <input checked="" type="checkbox"/> X V- 41-1981625-00			
<b>Service Description</b>							
TOBACCO QUITLINE							
<b>Contract BEGIN Date</b>		<b>Contract END Date</b>		<b>Subrecipient or Vendor?</b>		<b>CFDA #</b>	
June 30, 2006		June 29, 2008		Vendor		93.283	
<b>Mark Each TRUE Statement</b>							
<input checked="" type="checkbox"/> Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
<b>Allocation Code</b>		<b>Cost Center</b>		<b>Object Code</b>		<b>Fund</b>	
343.52		150		139		11	
<b>FY</b>		<b>State</b>		<b>Federal</b>		<b>Interdepartmental</b>	
2007		\$ 195,630.00		\$ 239,104.00		OCR RELEASED	
2008		\$ 136,086.00		\$ 167,001.00		JUL 24 2007	
						TO ACCOUNTS	
<b>TOTAL</b>		\$ 331,716.00		\$ 406,105.00		\$ 737,821.00	
<b>COMPLETE FOR AMENDMENTS ONLY</b>				<b>State Agency Fiscal Contact &amp; Telephone #</b>			
<b>FY</b>		<b>Base Contract &amp; Prior Amendments</b>		<b>THIS Amendment ONLY</b>		CRYSTAL ALLEN (615) 741-9419	
2007		\$ 434,734.00		\$ -		State Agency Budget Officer Approval	
2008				\$ 303,087.00		Crystal Allen	
<b>TOTAL</b>		\$ 434,734.00		\$ 303,087.00			
<b>End Date</b>		6/30/2007		6/29/2008			
<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix FA or GR)							
<input type="checkbox"/> African American		<input type="checkbox"/> Person w/ Disability		<input type="checkbox"/> Hispanic		<input checked="" type="checkbox"/> NOT disadvantaged	
<input type="checkbox"/> Asian		<input type="checkbox"/> Female		<input type="checkbox"/> Native American		<input type="checkbox"/> OTHER minority/disadvantaged	
<b>Contractor Selection Method</b> (complete for ALL base contracts - N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP		<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method			
<input checked="" type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		<input type="checkbox"/> Other			
<b>Procurement Process Summary</b> (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
<p>The Grantee was originally selected based upon its response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.</p> <p style="text-align: center;">JUL 24</p>							

## CONTRACT SUMMARY SHEET SUPPLEMENT

<b>Contract Number</b>							
<b>Fiscal Year</b>		2007					
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Grant Code</b>	<b>Subgrant Code</b>	<b>CFDA #</b>	<b>Amount</b>
343.52	150	139	11			93.283	\$239,104.00
343.52	150	139	11				\$195,630.00
<b>TOTAL</b>							<b>\$434,734.00</b>



**AMENDMENT THREE  
TO CONTRACT NUMBER FA-06-16581-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State and Ceridian Corporation, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section A.13., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
  - A.13. Submit first progress activity report in a format approved by the State from June 30, 2007 through September 30, 2007, due no later than October 15, 2007, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
    - a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
    - b. types and amounts of services provided (e.g., referral to local resources, amount type of material distributed).
    - c. caller demographics and other client characteristics information obtained at intake/assessment.
    - d. client outcomes (quit attempts, consumption reduction).
    - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
    - f. volume of calls received during times when a live answer is not available, abandonment rates.
    - g. other data analysis as requested by the State.
2. Add the following as Section A.14., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
  - A.14. Submit second progress activity report from October 1, 2007 through December 31, 2007, due no later than January 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by January 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
    - a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
    - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
    - c. caller demographics and other client characteristics information obtained at intake/assessment.

- d. client outcomes (quit attempts, consumption reduction, quit status at 3 months).
  - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
  - f. volume of calls received during times when a live answer is not available, abandonment rates.
  - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
3. Add the following as Section A.15., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
- A.15. The Contractor shall submit semi-annual report from June 30, 2007 through December 31, 2007, due no later than January 31, 2008 on continuous quality improvement, including recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations or evaluation and identification of any obstacles to the effectiveness of the program; e.g. year to date comparison data, trends, breakdowns by counties, insurance status. (Submission of semi-annual reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
4. Add the following as Section A.16., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
- A.16. Submit third progress activity report from January 1, 2008 through March 31, 2008, due no later than April 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by April 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
- a. call volume (operations) and clients served including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
  - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
  - c. caller demographics and other client characteristics information obtained at intake/assessment.
  - d. client outcomes (quit attempts, consumption reduction, quit status at 6 months).
  - e. operations, including call patterns by time of day, day of week and month, and waiting time for callers.
  - f. volume of calls received during times when a live answer is not available, abandonment rates.
  - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
5. Add the following as Section A.17., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:

A.17. Submit fourth progress activity report from April 1, 2008 through June 29, 2008, due no later than July 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by July 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this contract.)

- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
- b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
- c. caller demographics and other client characteristics information obtained at intake/assessment.
- d. client outcomes (quit attempts, consumption reduction, quit status at 9 months).
- e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
- f. volume of calls received during times when a live answer is not available, abandonment rates.
- g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.

6. Add the following as Section A.18., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:

A.18. Submit project Summary report for the period June 30, 2007 through June 29, 2008, due by August 1, 2008, which at a minimum shall include the following information. (Submission of summary reports due by August 1, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.

- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
- b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
- c. caller demographics and other client characteristics information obtained at intake/assessment.
- d. client outcomes (quit attempts, consumption reduction, quit status at 12 months).
- e. operations, including call patterns by time of day, day of week and month, and waiting time for callers.
- f. volume of calls received during times when a live answer is not available, abandonment rates.
- g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
- h. annual process outcome and impact evaluation of the Tennessee Quitline including continuous quality improvement, recommendations for changes or adjustments in



Tennessee quitline protocols, processes, materials, operations and identification of any obstacles to the effectiveness of the program (e.g. year to date comparison data, trends, breakdowns by counties, insurance status).

7. Delete Section B.1., in its entirety and insert the following in its place:

B.1. Contract Term. This Contract shall be effective for the period commencing on June 30, 2006 and ending on June 29, 2008. The State shall have no obligation for services rendered by the Contractor, which are not performed within the specified period.

8. Delete Section C.1., in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seven Hundred Thirty Seven Thousand Eight Hundred Twenty One Dollars (\$737,821.00). The Service Rates in Section C.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

9. Add the following as the Fifteenth Service Unit/Milestone in Section C.3.A., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008.

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of first progress activity report – Submitted by October 15, 2007 (see scope A.13.)  
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$3,780

10. Add the following as the Sixteenth Service Unit/Milestone in Section C.3.A., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008.

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of second progress activity report – Submitted by December 15, 2007 (see scope A.14.)  
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by December 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$2,700

11. Add the following as the Seventeenth Service Unit/Milestone in Section C.3.A., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008.

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of Semi-Annual report – Submitted by January 15, 2008 (see scope A.15.)  
(Amount to be paid upon completion of the milestone- Less 10% retention, per C.9.) Submission of a semi-annual reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$3,051 X

12. Add the following as the Eighteenth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of third progress activity report – Submitted by April 15, 2008 (see scope A.16.)  
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by April 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$2,700 X

13. Add the following as the Twentieth Service Unit/Milestone in Section C.3.A., Service Unit/ Milestone for the period June 30, 2007 through June 29, 2008:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of fourth progress activity report – Submitted by July 15, 2008 (see scope A.17.)  
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by July 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$2,700 X

14. Add the following as the Twenty-First Service Unit/Milestone in Section C.3.A., Service Unit/ Milestone for the period June 30, 2007 through June 29, 2008:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of project summary report – Submitted by August 1, 2008 (see scope A.18.)  
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of project summary reports due by August 1 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$3,780

- 15. Add the following as the Twenty-Second Service Unit/Milestone, in Section C.3.B., Services Unit/Milestone, for the period June 30, 2007, through June 29, 2008:

**B. SERVICE UNIT/MILESTONE**

**AMOUNT**

**B. SERVICE**

\$18,298 per month

Monthly operational cost of tobacco quitline June 30, 2007 – June 29, 2008 (Less 10% retention, per C.9.) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

16. Add the following as the Twenty-Third Service Unit/Milestone, in Section C.3.B., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008:

**B. SERVICE UNIT/MILESTONE**

**AMOUNT**

**B. SERVICE**

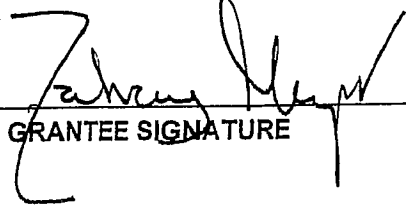
\$5,400 per month

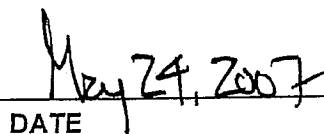
Monthly cost of Media Campaign June 30, 2007 - June 29, 2008 (Less 10% retention, per C.9.) Monthly payments after June 30, 2008 are contingent on contract extension referenced in Section B.2. of this contract.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

CERIDIAN CORPORATION:

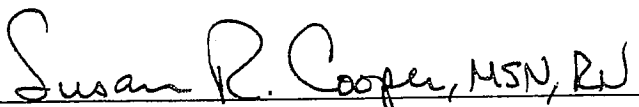
  
\_\_\_\_\_  
GRANTEE SIGNATURE

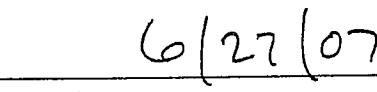
  
\_\_\_\_\_  
DATE

Zachery Meyer, President

PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)

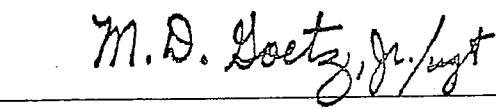
DEPARTMENT OF HEALTH:

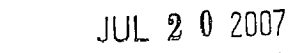
  
\_\_\_\_\_  
SUSAN R. COOPER, MSN, RN, COMMISSIONER

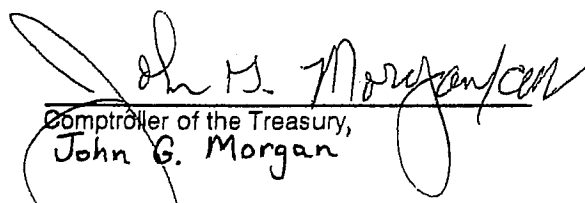
  
\_\_\_\_\_  
DATE

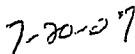
APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

  
\_\_\_\_\_  
M. D. GOETZ, JR., COMMISSIONER

  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
Comptroller of the Treasury,  
John G. Morgan





**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

February 12, 2007

The Honorable Susan Cooper  
Commissioner  
Department of Health  
Cordell Hull Building  
425 Fifth Avenue, North  
Nashville, Tennessee 37247

Dear Commissioner Cooper:

We received the proposed amendment between the Department of Health and Ceridian LifeWorks (formerly Mulvihill Group) with a beginning date of January 1, 2007. This amendment does not meet the criteria for mandatory submission to the Fiscal Review Committee under Tenn. Code Ann. § 12-4-109 (contract must have a term in excess of one year and a total value, including amendments, in excess of \$250,000). The amendment is changing the name and FEIN number and is not changing the scope of services in the original contract.

It therefore will not be necessary for the Committee to consider this amendment. This letter will confirm that the amendment will not be placed on the agenda. If the Department of Health still wants to have the amendment reviewed by the Committee, please let me know and it will be placed on the next available agenda.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. White", is written over a horizontal line.

James W. White  
Executive Director

cc: Glenda Case



STATE OF TENNESSEE  
DEPARTMENT OF HEALTH  
NASHVILLE, TN 37247

**MEMO**

RECEIVED

FEB 09 2007

FISCAL REVIEW

To: Leni Chick  
From: Glenda Case  
Date: February 8, 2007  
Subject: Contract / Ceridian LifeWorks d/b/a/ Leade Health, Inc.

Please find enclosed Contract #FA-06-16851-00, amendment #1 and proposed amendment #2. The amendment # 2 changes the FIEN Number and the name. There is no change in the money. Does this amendment need FRC approval?

Thanks,

Glenda Case  
Contract Review  
532-7140

no

# CONTRACT SUMMARY SHEET

021406

RFS # <b>343.52-677-06</b>	Contract # <b>FA-06-16851-02</b>
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State Agency TENNESSEE DEPARTMENT OF HEALTH	State Agency Division HEALTH SERVICES ADMINISTRATION
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Contractor Name Ceridian LifeWorks d/b/a LEADE HEALTH, INC. <i>CORPORATION</i>	Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 41-1981625-00
---	--

Service Description TOBACCO QUITLINE
---

Contract BEGIN Date June 30, 2006	Contract END Date June 30, 2007	Subrecipient or Vendor? Vendor	CFDA # 93.283
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Mark Each TRUE Statement

<input checked="" type="checkbox"/> Contractor is on STARS	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts
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Allotment Code 343.52	Cost Center 150	Object Code 139	Fund 11	Funding Grant Code	Funding Subgrant Code
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$ 195,630.00	\$ 239,104.00			\$ 434,734.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
<b>TOTAL</b>	\$ 195,630.00	\$ 239,104.00	\$ -	\$ -	\$ 434,734.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY	State Agency Fiscal Contact & Telephone # CRYSTAL ALLEN (615) 741-9419
----	----------------------------------	---------------------	---

2007	\$ 434,734.00	\$ -	State Agency Budget Officer Approval
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*Crystal Allen*

**Funding Certification** (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

<b>TOTAL:</b>	\$ 434,734.00	\$ -	
---------------	---------------	------	--

End Date	6/30/2007	6/30/2011	
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**Contractor Ownership** (complete only for base contracts with contract # prefix: FA or GR)

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	OTHER minority/disadvantaged—	

**Contractor Selection Method** (complete for ALL base contracts— N/A to amendments or delegated authorities)

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other

**Procurement Process Summary** (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The Grantee was originally selected based upon its response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

JUN 14

MAY 7 2007

**AMENDMENT NUMBER TWO  
TO CONTRACT NUMBER FA-06-16851-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State, and The Mulvihill Group d/b/a Leade Health, Incorporated, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section E.24:

Contractor Name. Effective January 1, 2007 all references to "The Mulvihill Group, Incorporated, d/b/a Leade Health Incorporated" shall be deleted and replaced with "Ceridian LifeWorks Corporation".

2. Add the following as Section E.25:

Federal Employer Identification Number. Effective January 1, 2007, the Federal Employer Identification Number of the Contractor shall be V41-1981625.

The other terms and conditions of this agreement not amended hereby shall remain in full force and effect.



IN WITNESS WHEREOF:

CORPORATION  
CERIDIAN LIFEWORKS:

NAME AND TITLE

DATE

Zachary Meyer, Senior Vice President

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY

DEPARTMENT OF HEALTH:

Susan R. Cooper, MSN, RN, gp

2-13-07

SUSAN R. COOPER, MSN, RN, COMMISSSIONER

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Jgt

MAY 24 2007

M. D. GOETZ, JR., COMMISSIONER

DATE

DEPARTMENT OF PERSONNEL:

Not Applicable

DEBORAH E. STORY, COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**

**Representatives**

Harry Brooks                      Mary Pruitt  
Curt Cobb                          Donna Rowland  
Dennis Ferguson                David Shepard  
Frank Niceley                    Curry Todd  
Craig Fitzhugh, *ex officio*  
Speaker Jimmy Naifeh, *ex officio*

**Sen. Don McLeary, Vice-Chairman**

**Senators**

Mae Beavers                      David Fowler  
Jim Bryson                        Steve Southerland  
Steve Cohen  
Douglas Henry, *ex officio*  
Lt. Governor John S. Wilder, *ex officio*

**M E M O R A N D U M**

**TO:**                      The Honorable Dave Goetz, Commissioner  
                                 Department of Finance and Administration

**FROM:**                Charles Curtiss, Chairman *CC*  
                                 Don McLeary, Vice-Chairman *DM*

**DATE:**                September 14, 2006

**SUBJECT:**            **Contract Comments**  
                                 (Contract Services Subcommittee Meeting 9/12/06)

**RFS# 343.52-677**

**Department: Health**

**Division: Health Services Administration**

**Contractor: The Mulvihill Group, Inc. DBA Leade Health, Inc.**

**Summary:** The vendor is currently responsible for the establishing and operating a statewide toll free telephone based system to assist tobacco users to quit. This is a one-year contract with a term beginning June 30, 2006, and ending June 30, 2007, with the option to extend the contract in one-year increments for a total of five years. This amendment revises the service unit/milestone rates and advances the date of the first benchmark from July 14, 2006, to August 4, 2006.

**Maximum liability for original one-year term: \$456,219**

**Maximum liability with amendment: \$456,219**

**Maximum liability if extended for five years: \$1,071,094**

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

**cc:**                      The Honorable Kenneth Robinson, M.D., Commissioner  
                                 Mr. Robert Barlow, Director, Office of Contracts Review



STATE OF TENNESSEE  
**DEPARTMENT OF HEALTH**  
CORDELL HULL BLDG.  
425 5TH AVENUE NORTH  
NASHVILLE TENNESSEE 37247

**PHIL BREDESEN**  
GOVERNOR

**KENNETH S. ROBINSON, M.D.**  
COMMISSIONER

August 22, 2006

M.D. Goetz, Commissioner  
Department of Finance and Administration  
First Floor, State Capital  
Nashville, Tennessee 37247

Dear Commissioner Goetz:

The Department of Health requests your approval to amend the competitively procured contract with The Mulvihill Group dba Leade Health, Inc. (FA-06-16851-00) for tobacco quitline services to revise milestone deliverable dates for completion of services and revise some service unit/milestone amounts based on revisions to milestone deliverable dates. This proposed amendment does not revise or add services or terms and conditions contained in the original contract.

The original start date of this contract was June 30, 2006. Milestone completion dates in the scope of services, particularly in Sections A.1, A.2, A.3, A.4, and A.6., were predicated on a June 30 start date. Leade Health was advised not to provide any services required by this contract until the contract was fully executed. Services, therefore, were not initiated on June 30, the contract start date. The Department was advised of contract approval on July 17, 2006. This proposed amendment will advance the date on which the first milestone deliverable and payment is due to August 4, 2006, to allow for the lapse of time that occurred during the final approval of the contract. The other milestone deliverable dates in the scope of services and payment terms will also be revised accordingly. This will allow Leade Health a comparable amount of time to complete services as was allowed in the original contract.

Due to the delay in implementation of services, some revisions to service unit/milestone rates were also necessary.

Amendment Item 9: Operational cost of tobacco use quitline August 4, 2006 - August 31, 2006. The original amount for this milestone was \$11,079 for 18 days of operation (July 14, 2006 - July 31, 2006 at \$615.50 per day). The revised amount of \$17,234 is based on 28 days of operation at \$615.50 per day.

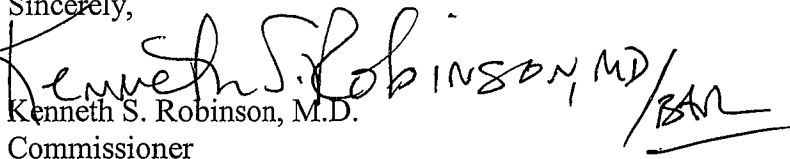
Amendment Item 12: Operational cost of the Media Campaign September 19, 2006 - September 30, 2006. The amount for this milestone is \$5400 per month. Because of the delay in implementing the media campaign from September 1, 2006, until September 19, 2006, the amount due for this milestone was prorated

at a reduced rate of \$2160 for the period September 19, 2006, - September 30, 2006, (12 days at \$180 per day).

The total maximum liability of the contract and retention amount have also been reduced since the ongoing monthly operation of the tobacco quitline has been revised from 11 months to 10 months and the ongoing monthly operation of the media campaign has been revised from 10 months to 9 months.

Your favorable consideration of this request will be appreciated.

Sincerely,

Handwritten signature of Kenneth S. Robinson, M.D. in cursive script, followed by a horizontal line and the initials "BAR" written below it.

Kenneth S. Robinson, M.D.

Commissioner



RECEIVED

AUG 22 2006

FISCAL REVIEW

STATE OF TENNESSEE  
**DEPARTMENT OF HEALTH**  
CORDELL HULL BLDG.  
425 5TH AVENUE NORTH  
NASHVILLE TENNESSEE 37247

PHIL BREDESEN  
GOVERNOR

KENNETH S. ROBINSON, M.D.  
COMMISSIONER

August 22, 2006

M.D. Goetz, Commissioner  
Department of Finance and Administration  
First Floor, State Capital  
Nashville, Tennessee 37247

Dear Commissioner Goetz:

The Department of Health requests your approval to amend the competitively procured contract with The Mulvihill Group dba Leade Health, Inc. (FA-06-16581-00) for tobacco quitline services to revise milestone deliverable dates for completion of services and revise some service unit/milestone amounts based on revisions to milestone deliverable dates. This proposed amendment does not revise or add services or terms and conditions contained in the original contract.

The original start date of this contract was June 30, 2006. Milestone completion dates in the scope of services, particularly in Sections A.1, A.2, A.3, A.4, and A.6., were predicated on a June 30 start date. Leade Health was advised not to provide any services required by this contract until the contract was fully executed. Services, therefore, were not initiated on June 30, the contract start date. The Department was advised of contract approval on July 17, 2006. This proposed amendment will advance the date on which the first milestone deliverable and payment is due to August 4, 2006, to allow for the lapse of time that occurred during the final approval of the contract. The other milestone deliverable dates in the scope of services and payment terms will also be revised accordingly. This will allow Leade Health a comparable amount of time to complete services as was allowed in the original contract.

Due to the delay in implementation of services, some revisions to service unit/milestone rates were also necessary.

Amendment Item 9: Operational cost of tobacco use quitline August 4, 2006 - August 31, 2006. The original amount for this milestone was \$11,079 for 18 days of operation (July 14, 2006 - July 31, 2006 at \$615.50 per day). The revised amount of \$17,234 is based on 28 days of operation at \$615.50 per day.

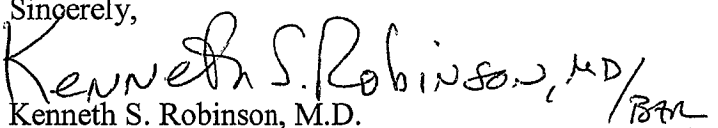
Amendment Item 12: Operational cost of the Media Campaign September 19, 2006 - September 30, 2006. The amount for this milestone is \$5400 per month. Because of the delay in implementing the media campaign from September 1,

2006, until September 19, 2006, the amount due for this milestone was prorated at a reduced rate of \$2160 for the period September 19, 2006, - September 30, 2006, (12 days at \$180 per day).

The total maximum liability of the contract and retention amount have also been reduced since the ongoing monthly operation of the tobacco quitline has been revised from 11 months to 10 months and the ongoing monthly operation of the media campaign has been revised from 10 months to 9 months.

Your favorable consideration of this request will be appreciated.

Sincerely,

  
Kenneth S. Robinson, M.D.  
Commissioner


# CONTRACT SUMMARY SHEET

021406

<b>RFS #</b>	<b>Contract #</b>
343.52-677-06	FA-06-16851-01
<b>State Agency</b>	<b>State Agency Division</b>
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION
<b>Contractor Name</b>	<b>Contractor ID # (FEIN or SSN)</b>
The Mulvihill Group, Inc., d/b/a Leade Health, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> X <input type="checkbox"/> V- 38-2965012-00

<b>Service Description</b>			
Tobacco Quitline			
<b>Contract BEGIN Date</b>	<b>Contract END Date</b>	<b>Subrecipient or Vendor?</b>	<b>CFDA #</b>
June 30, 2006	June 30, 2007	Vendor	93.283

<b>Mark Each TRUE Statement</b>					
<input checked="" type="checkbox"/> Contractor is on STARS			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Funding Grant Code</b>	<b>Funding Subgrant Code</b>
343.52	150	139	11		
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2007	\$ 195,630.00	\$ 239,104.00			\$ 434,734.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
<b>TOTAL</b>	\$ 195,630.00	\$ 239,104.00	\$ -	\$ -	\$ 434,734.00

<b>COMPLETE FOR AMENDMENTS ONLY</b>			<b>State Agency Fiscal Contact &amp; Telephone #</b>
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	CRYSTAL ALLEN (615) 741-9419
2007	\$ 456,219.00	\$ (21,485.00)	<b>State Agency Budget Officer Approval</b>
			 Crystal Allen / BAP
<b>Funding Certification</b> (certification required by TCA § 9-1-5113 that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			
<b>TOTAL</b>	\$ 456,219.00	\$ (21,485.00)	
<b>End Date</b>	6/30/2007	6/30/2007	

<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business <input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—
<b>Contractor Selection Method</b> (complete for ALL base contracts—N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	
<b>Procurement Process Summary</b> (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			

The Grantee has been selected based upon its response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

NOV 22 2006

**AMENDMENT ONE  
TO CONTRACT NUMBER FA-06-16851-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State, and The Mulvihill Group d/b/a Leade Health, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete the first paragraph of Section A.1 in its entirety and insert the following in its place:
  - A.1. Implement a statewide toll free dial-in telephone based system to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in English and Spanish. The quitline will serve as the state's access line for cessation information, tobacco use counseling, and referral to local resources. The quitline services shall be available free of charge to all Tennesseans and shall use the telephone number 1-800-QUIT-NOW. A Telecommunication Device for the Deaf (TDD) line must be available to provide services to the hearing impaired. The quitline must be operational by August 4, 2006. The Contractor shall at a minimum provide the following services:
2. Delete Section A.2 in its entirety and insert the following in its place:
  - A.2. Establish and implement operation of an automated 24-hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation. The quit tip line shall be operational for caller use before and after normal business hours (Seven) 7 days per week and provide service on holidays. The 24-hour automated quit tip line shall be operational by August 4, 2006.
3. Delete the first paragraph of Section A.3 in its entirety and insert the following in its place:
  - A.3. Submit first progress activity report in a format approved by the State, from August 4, 2006 through August 31, 2006 due no later than September 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
4. Delete Section A.4 its entirety and insert the following in its place:
  - A.4. The Contractor shall develop for prior review and approval by the State, a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations. The media schedule approved campaigns shall be developed and presented to the State for final approval by August 21, 2006. The campaigns shall begin no later than September 19, 2006, and shall continue as specified through June 30, 2007.
5. Delete the first paragraph of Section A.6 in its entirety and insert the following in its place:
  - A.6. Submit second progress activity report from September 1, 2006 through September 30, 2006, due no later than October 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)



6. Delete Section C.1 in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Hundred Thirty Four Thousand Seven Hundred Thirty Four Dollars (\$434,734.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be Incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

7. Delete the first Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Program Operation Implementation: Completed by August 4, 2006  
(see scope A.1.)  
(Amount to be paid upon completion of the milestone-  
Less 10% retention, per C.9)

\$ 65,490 ✓

8. Delete the second Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Establish and implement operation of 24 hr quit tip telephone  
Line: Operational by August 4, 2006 (see scope A.2.)  
(Amount to be paid upon completion of the milestone)

\$2,988 ✓

8. Delete the third Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Operational cost of tobacco use quitline  
August 4, 2006 – August 31, 2006 (see scope A.1.)  
Less 10% retention, per C.9)

\$17,234 ✓

9. Delete the fourth Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Submission of first progress activity report –Submitted by September 15, 2006 (see scope A.3.)  
(Amount to be paid upon completion of the milestone- Less 10% retention, per C.9) Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

\$3,780 ✓

10. Delete the fifth Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Development of Media Campaign Materials –Submitted by August 21, 2006 (see scope A.4.)  
(Amount to be paid upon completion of the milestone- Less 10% retention, per C.9)

\$22,500 ✓

11. Add the following as the sixth Service Unit/Milestone in Section C.3.A

**A. SERVICE UNIT/MILESTONE**

**AMOUNT**

Operation cost of the Media Campaign September 19, 2006 – September 30, 2006  
(see scope A.4) (Less 10% retention per C.9)

\$ 2,160 ✓

12. Delete the first paragraph of Section C.3 B. in its entirety and insert the following in its place:

**B. SERVICE UNIT/MILESTONE**

**AMOUNT**

**B. SERVICE**  
Monthly operational cost of tobacco quitline September 1, 2006 – June 30, 2007  
(Less 10% retention, per C.9) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

\$18,298 per month ✓

13. Delete the second paragraph of Section C.3 B. in its entirety and insert the following in its place:

**B. SERVICE UNIT/MILESTONE**

**AMOUNT**

**B. SERVICE**

\$5,400 per month ✓

- Monthly operational cost of tobacco quitline October 1, 2006 –  
June 30, 2007  
(Less 10% retention, per C.9) Monthly payments after June 30, 2007  
are contingent on contract extension referenced in Section B.2. of this  
contract.

14. Delete Section C.9 in its entirety and insert the following in its place:

- C.9. Retention of Final Payment. An amount of Thirty Nine Thousand Five Hundred Twenty One Dollars (\$39,521), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

THE MULVIHILL GROUP DBA LEADE HEALTH, INC.:



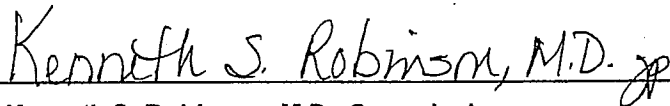
11/10/06

DATE

Michael Mulvihill, President

Printed Grantee's Name and Title

DEPARTMENT OF HEALTH:



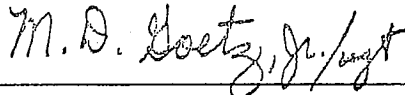
10-31-06

Kenneth S. Robinson, M.D., Commissioner

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:



DEC 08 2006

M. D. GOETZ, JR., COMMISSIONER

DATE

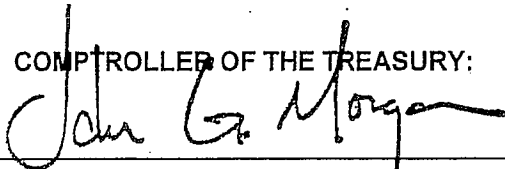
DEPARTMENT OF PERSONNEL:

Not Applicable

DEBORAH E. STORY, COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:



12-13-06

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

# CONTRACT SUMMARY SHEET

021406

<b>RFS #</b>	<b>Contract #</b>
<b>343.52-677-06</b>	FA-06-16851-00
<b>State Agency</b>	<b>State Agency Division</b>
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION
<b>Contractor Name</b>	<b>Contractor ID # (FEIN or SSN)</b>
The Mulvihill Group, Inc., dba Leade Health, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 38-2965012-00

<b>Service Description</b>			
Tobacco Quitline			
<b>Contract BEGIN Date</b>	<b>Contract END Date</b>	<b>Subrecipient or Vendor?</b>	<b>CFDA #</b>
30-Jun-06	30-Jun-07	vendor	93.283

<b>Mark Each TRUE Statement</b>					
<input checked="" type="checkbox"/> Contractor is on STARS			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Funding Grant Code</b>	<b>Funding Subgrant Code</b>
343.52	150	139	11		
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2007	\$ 206,219.00	\$ 250,000.00			\$ 456,219.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
<b>TOTAL:</b>	\$ 206,219.00	\$ 250,000.00	\$ -	\$ -	\$ 456,219.00

<b>— COMPLETE FOR AMENDMENTS ONLY —</b>			<b>State Agency Fiscal Contact &amp; Telephone #</b>
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	CRYSTAL ALLEN - (615) 741-9419
			<b>State Agency Budget Officer Approval</b>
			<b>Funding Certification</b> (certification, required by T.C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
<b>TOTAL:</b>	\$ -	\$ -	
<b>End Date</b>			

<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged			

<b>Contractor Selection Method</b> (complete for ALL base contracts—N/A to amendments or delegated authorities)		
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other

<b>Procurement Process Summary</b> (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
--

The Grantee has been selected based upon its' response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

JUL 17 2006

DIRECTOR OF ACCOUNTS

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE  
DEPARTMENT OF HEALTH  
AND  
THE MULVIHILL GROUP, INC, DBA LEADE HEALTH, INC.**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and The Mulvihill Group, Inc., dba Leade Health, Inc., hereinafter referred to as the "Contractor," is for the provision of tobacco use quitline services , as further defined in the "SCOPE OF SERVICES."

The Contractor is a for-profit corporation. The Contractor's address is:

2301 N. Platt Rd., Suite #400, Ann Arbor, MI 48104

The Contractor's place of incorporation or organization is Michigan.

**A. SCOPE OF SERVICES:**

The Contractor Agrees to:

- A.1. Implement a statewide toll free dial-in telephone based system to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in English and Spanish. The quitline will serve as the state's access line for cessation information, tobacco use counseling, and referral to local resources. The quitline services shall be available free of charge to all Tennesseans and shall use the telephone number 1-800-QUIT-NOW. A Telecommunication Device for the Deaf (TDD) line must be available to provide services to the hearing impaired. The quitline must be operational by July 14, 2006. The Contractor shall at a minimum provide the following services:
- a. Tobacco users and recent quitters: the Contractor shall complete intake and document caller contact information, zip code, demographic information, insurance status, education level, number of tobacco users and children in the home, tobacco use history, and previous quit attempts.
  - b. For tobacco users, the Contractor will assess and document current tobacco use, level of dependency and readiness to quit.
  - c. For callers ready to quit within 30 days; the Contractor shall develop, produce and provide, 1) an immediate brief intervention, 2) forward the caller to a counselor, if desired; 3) mail a quit kit tailored to the caller; 4) review Federal Drug Administration (FDA) approved cessation medications and advise on availability through Tennessee health plans or discount programs; 5) refer to community based services; and 6) offer up to five proactive counseling calls within a timetable sensitive to relapse prevention.
  - d. The Contractor shall schedule proactive counseling sessions as appointments for a specific date and time. The initial attempt to reach patients fax-referred by providers should be made as requested on the form (e.g. preferred day/time of day) or within three (3) business days.
  - e. For callers who are not ready to quit, the Contractor shall develop and provide, 1) appropriate motivational messages to promote effective quitting; 2) send materials appropriate for callers not ready to quit; and 3) encourage callers to call back when they are ready to quit.

- f. The Contractor shall provide live call center response for a minimum of 60 hours per week Monday through Saturday. Peak times for calls should be monitored and hours of live staffing should be modified to meet peak call times. Hours of operation are to be discussed and approved by the State. Optimal hours of operation with live staffing include daytime hours, weekday evening hours and some weekend hours. Live operation shall not be required on Independence Day, Labor Day, Thanksgiving Day, and Christmas. However, coverage shall be maintained on all other holidays.
- g. The Contractor shall provide trained behavioral health specialists who can provide call center service in English and Spanish. At least 30 hours of orientation must be provided to call center personnel and ongoing staff training is required in clinical and administrative protocols. Counselors must receive weekly clinical supervision from a masters-level behavioral health specialist or certified tobacco specialist. Access to a medical expert (M.D.,) who can provide technical assistance and oversight shall be required.
- h. The Contractor shall provide a computerized tracking system and relational databases for tracking on caller information, demographics, services provided, referrals and client outcomes. The contractor must maintain a relational database capable of linking individual client characteristics (at intake) to services received, outcomes, and, applicable, provider referral information (e.g. provider name, organization). The system must have the capacity to produce reports on call center operations, including call patterns by time of day, day of week and month. Client characteristics include age, gender, zip code, education, number of children in the home, tobacco users in the home, insurance status and type, smoking history, current tobacco use status, level of dependency and motivation to quit. The contractor shall track and report services separately for self-referred callers and tobacco users fax-referred by provider and assess differences between the two groups.
- i. The Contractor must strive to meet the following performance standards for incoming call center operations and fax referrals, 1) 90% of calls received during operating hours will receive a live response, 2) Less than 5% abandonment for calls waiting greater than 30 seconds following the initial client queue message, 3) 100% of self-help materials will be sent within three(3) business days, 4) First contact with fax-referred clients will be attempted within the time frame specified on the form or within three (3) business days of receipt.
- j. The Contractor shall develop for review and approval by the State, an implementation plan for continuous quality improvement and client outcome evaluation. Follow-up calls with quitline clients must be conducted at 6 and 12 months to verify tobacco use status of both quitline fax-referred and self-referred callers to assess satisfaction, consumption reduction, quit attempts and sustained quits. The follow up outcome evaluation must achieve acceptable response rates and include a sample size sufficient to provide estimates separately for self-referred and provider fax-referred quitline clients. Methods for computing and reporting quit rates should conform to CDC and NAQC recommendations.
- k. The Contractor must maintain, and update annually, a Tennessee community resource and referral database. The database will include information on community resources; insurance coverage, health plan contact information, and other tobacco control internet and print resources. The database shall provide sufficient information to match caller to resources by location and type of cessation service, time service is available and specialized service for target populations. The Tennessee Department of Health, Tobacco Use Prevention and Control Program will collaborate with the Contractor to provide information regarding Tennessee specific cessation resources at contract startup; updated information will be provided to the Contractor on an annual basis thereafter.

- A.2. Establish and implement operation of a automated 24 hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation. The quit tip line shall be operational for caller use before and after normal business hours (Seven) 7 days per week and provide service on holidays. The 24 hour automated quit tip line shall be operational by July 14, 2006.
- A.3. Submit first progress activity report in a format approved by the State, from July 14, 2006 through July 31, 2006 due no later than August 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
  - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
  - c. caller demographics and other client characteristics information obtained at intake/assessment.
  - d. client outcomes (quit attempts, consumption reduction).
  - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
  - f. volume of calls received during times when a live answer is not available, abandonment rates.
  - g. other data analysis as requested by the State.
- A.4. The Contractor shall develop for prior review and approval by the State, a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations. The media schedule approved campaigns shall be developed and presented to the State for final approval by August 1, 2006. The campaigns shall begin no later than September 1, 2006, and shall continue as specified through June 30, 2007.
- A.5. The Contractor shall develop and submit for prior review and approval by the State, Tennessee quitline promotional materials and cessation support materials in English and Spanish, tailored for Tennessee-specific priority populations: pregnant women; youth, college students and spit/chew tobacco users (e.g., tri-fold brochures, palm cards, etc.) Promotional material may be developed in collaboration with neighboring states (MS, AL, AR, KY, IN, GA, VA,). Upon approval, the Contractor shall distribute materials to interested callers statewide. Material development and submission shall be completed no later than September 30, 2006.
- A.6. Submit second progress activity report from August 1, 2006 through September 30, 2006, due no later than October 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
  - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).



- c. caller demographics and other client characteristics information obtained at intake/assessment.
  - d. client outcomes (quit attempts, consumption reduction, quit status at 3 months).
  - e. operations, including call patterns by time of day, day of week and month; waiting time for callers,
  - f. volume of calls received during times when a live answer is not available, abandonment rates
  - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
- A. 7. Develop and submit for prior review and approval by the State, outcome measures consistent with the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found @<http://www.naqc.org>. Proposed outcome measurement process shall be submitted by October 31, 2006.
- A.8. The Contractor shall submit semi-annual report from October 1, 2006 through by December 31, 2006, due no later than January 15, 2007, on continuous quality improvement, including recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations or evaluation and identification of any obstacles to the effectiveness of the program e.g. year to date comparison data, trends, breakdowns by counties, insurance status. (Submission of semi-annual reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- A.9. Develop and submit for prior review and approval by the State, a fax referral form and program for use by Tennessee health care providers and health care institutions to fax refer clients. Upon approval of the form and program by the State, the Contractor shall provide the forms, via facsimile, statewide, to the State, health care providers, and health care institutions. The fax referral form program shall be a critical component in the referral system and provide an avenue to let health care providers and organizations know the quitline services exist. The fax referral program shall include a plan to implement a system of fax feedback for reports to providers and institutions that adopt a quitline fax referral program. The fax referral form and feedback program shall be developed and ready for use by December 31, 2006.
- A.10. Submit third progress activity report from January 1, 2007 through February 28, 2007, due no later than March 15, 2007, which at a minimum shall include the following information. (Submission of progress activity reports due by March 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
  - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
  - c. caller demographics and other client characteristics information obtained at intake/assessment.
  - d. client outcomes (quit attempts, consumption reduction, quit status at 6 months).
  - e. operations, including call patterns by time of day, day of week and month; waiting time for callers,

- f. volume of calls received during times when a live answer is not available, abandonment rates
- g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.

A.11. Submit fourth progress report from March 1, 2007 through April 28, 2007, due no later than May 15, 2007, which at a minimum shall include the following information. (Submission of progress activity reports due by May 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)

- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
- b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
- c. caller demographics and other client characteristics information obtained at intake/assessment.
- d. client outcomes (quit attempts, consumption reduction, quit status at 9 months).
- e. operations, including call patterns by time of day, day of week and month; waiting time for callers,
- f. volume of calls received during times when a live answer is not available, abandonment rates
- g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.

A.12. Submit project summary report for the period July 14, 2006 through June 15, 2007, by June 25, 2007, which at a minimum shall include the following information. (Submission of summary reports due by June 25 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)

- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
- b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
- c. caller demographics and other client characteristics information obtained at intake/assessment.
- d. client outcomes (quit attempts, consumption reduction, quit status at 12 months).
- e. operations, including call patterns by time of day, day of week and month; waiting time for callers,
- f. volume of calls received during times when a live answer was not available, abandonment rates.
- g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.

- h. Annual process, outcome and impact evaluation of the Tennessee Quitline including continuous quality improvement, recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations and identification of any obstacles to the effectiveness of the program (e.g. year to date comparison data, trends, breakdowns by counties, insurance status).

A.13. The State Agrees to:

- a. Collaborate with the Contractor to provide information regarding Tennessee specific cessation resources at contract start up; updated information shall be provided to the Contractor quarterly thereafter.
- b. Review and approve information and materials within five (5) business days of receipt.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on June 30, 2006 and ending on June 30, 2007. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than Five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least Sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Hundred Fifty Six Thousand Two Hundred Nineteen Dollars (\$456,219.) The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be Incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

**A. SERVICE UNIT/MILESTONE****AMOUNT**

Program Operation Implementation : Completed by July 14, 2006 (see scope A.1.) ( Amount to be paid upon completion of the milestone- Less 10% retention, per C.9)	\$ 65,490.30
Establish and implement operation of 24 hr quit tip telephone Line: Operational by July 14, 2006 (see scope A.2.) ( Amount to be paid upon completion of the milestone- Less 10% retention, per C.9)	\$ 2,988
Operational cost of tobacco use quitline July 14, 2006 – July 31, 2006 (see scope A.1.) Less 10% retention, per C.9)	\$ 11,079
Submission of first progress activity report –Submitted by August 15, 2006 (see scope A.3.) ( Amount to be paid upon completion of the milestone- Less 10% retention, per C.9) Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.	\$ 3,780
Development of Media Campaign Materials –Submitted by August 31, 2006 (see scope A.4.) ( Amount to be paid upon completion of the milestone- Less 10% retention, per C.9)	\$ 22,500
Development of Quitline Promotional Materials –Submitted by September 30, 2006 (see scope A.5.) ( Amount to be paid upon completion of the milestone- Less 10% retention, per C.9)	\$ 24,660
Submission of second progress activity report –Submitted by October 15, 2006 (see scope A.6.) ( Amount to be paid upon completion of the milestone- Less 10% retention, per C.9) Submission of progress activity reports due by October 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.	\$ 2,700
Development of Outcome Measurement in accordance with North American Quitline Consortium.- by October 31, 2006 (see scope A.7.) (Amount paid upon completion of the milestone- Less 10% retention, per C.9)	\$ 3,672

Submission of Semi-Annual report –Submitted by January 15, 2007 (see scope A.8.) \$ 3,051  
 ( Amount to be paid upon completion of the milestone-  
 Less 10% retention, per C.9) Submission of a semi-annual reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

Development of Fax Referral Form and Feedback plan for Tennessee Health Care Professionals and Providers : \$ 6,210  
 Completed by December 31, 2006 (see scope A.9)  
 ( Amount paid upon completion of the milestone-  
 Less 10% retention, per C.9

Submission of third progress activity report –Submitted by March 15, 2007 (see scope A.10.) \$ 2,700  
 ( Amount to be paid upon completion of the milestone-  
 Less 10% retention, per C.9) Submission of progress activity reports due by March 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

Submission of fourth progress activity report –Submitted by May 15, 2007 (see scope A.11.) \$ 2,700  
 ( Amount to be paid upon completion of the milestone-  
 Less 10% retention, per C.9) Submission of progress activity reports due by May 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

Submission of project summary report –Submitted by June 25, 2007(see scope A.12.) \$ 3,780  
 ( Amount to be paid upon completion of the milestone-  
 Less 10% retention, per C.9) Submission of project summary reports due by June 25 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

## **B. SERVICE**

## **PAYMENT PER MONTH**

Monthly operational cost of tobacco quitline \$ 18,298.80 per month  
 August 1, 2006 – June 30, 2007  
 (Less 10% retention, per C.9) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

Monthly cost of Media Campaign \$ 5,400 per month  
 September 1, 2006 – June 30, 2007 (see scope A.4.)  
 Less 10% retention, per C.9) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

The Contractor shall submit invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- C.9. Retention of Final Payment. An amount of Forty Five Thousand Six Hundred Twenty one Dollars Ninety Cents (\$45,621.90), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least Sixty (60) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under ***Tennessee Code Annotated***, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Donna Henry  
Tennessee Department of Health  
Community Services Section  
425 5<sup>th</sup> Avenue North  
Cordell Hull Building, 6<sup>th</sup> Floor  
Nashville, TN 37247  
Telephone: (615) 253-5800  
Fax Number (615) 532-8478  
E-Mail: [Donna.Henry@state.tn.us](mailto:Donna.Henry@state.tn.us)



The Contractor:  
Michael Mulvihill, President  
Leade Health, Inc.  
2301 North Platt Road, Suite 400, Ann Arbor, MI 48104  
Telephone Number: (734) 995-0699  
Fax Number: (734) 998-1011  
E-Mail: [mmulvihill@leadehealth.com](mailto:mmulvihill@leadehealth.com)

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.5. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit

prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

- E.6. State Ownership of Work Products. The State shall have all ownership right, title, and interest, including ownership of copyright, in all work products created, designed, developed, derived, documented, installed, or delivered to the State under this Contract. The State shall have royalty-free and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law.
- E.7. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of ***Tennessee Code Annotated***, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by ***Tennessee Code Annotated***, Section 12-7-103 (d).
- E.8. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or services. Such procurements shall be made on a competitive basis, where practical.
- E.9. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments
  - b. All Clarifications and addenda made to the Contractor's Proposal
  - c. The Request for Proposal and its associated amendments
  - d. Technical Specifications provided to the Contractor
  - e. The Contractor's Proposal.

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.10. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.11. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall

complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

- E.12. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.
- E.13. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.
- E.14. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.15. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.
- E.16. Public Accountability. If this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor agrees to display a sign stating:

"NOTICE: This Contractor is a recipient of taxpayer funding. if you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller's toll free hotline: 1-800-232-5454"

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public passes to receive State funded services.

- E.17. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.
- E.18. Date/Time Hold Harmless. As required by **Tennessee Code Annotated**, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State
- In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by **Tennessee Code Annotated**, Section 8-6-106.
- E.20. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in **Tennessee Code Annotated**, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to **Tennessee Code Annotated**, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.21. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.

E.22. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

E.23. CFDA Number(s). When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied with in performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers:

93.283—Centers for Disease Control & Prevention-Investigations and Technical Assistance

IN WITNESS WHEREOF:

LEADE HEALTH, INC.:

Michael Mulvihill, President

Date

*[Signature]* 6/12/06

DEPARTMENT OF HEALTH:

Kenneth S. Robinson, M.D., Commissioner

Date

*[Signature]* 6/15/06

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

*[Signature]* JUL 11 2006

DEPARTMENT OF PERSONNEL:

Nat E. Johnson, Acting Commissioner

Date

NOT APPLICABLE

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

*[Signature]* 7/12/06